

# The NATIONAL UNDERWRITER

*Life Insurance Edition*



CLAUDE MACON

Claude Macon, our Associate in Des Moines, has been a member of the friendly Franklin organization since May 10, 1948.

Since that time he has always concentrated his sales on our exclusive policy-contracts.

Here is a record of his Franklin earnings:

Cash Income	
June 1-Dec. 31,	
1948 . . . .	\$ 2,430.41
1949 . . . .	11,563.93
1950	
(to Aug. 31)	8,589.46

We know that Claude is happy. We are equally happy in having him as our associate.

**"...A company where the agent comes FIRST"**

June 2, 1950

Mr. Chas. E. Becker, President  
Franklin Life Insurance Company  
Springfield, Illinois

Dear President Becker:

I certainly appreciated your letter of congratulations on my second anniversary with the company. I can assure you that every day has been a real pleasure. I feel proud to represent the friendly Franklin, the company that even our competition take off their hats to.

One of the main reasons I am so happy in my connection with the Franklin is, I have been able to double my personal income. In my fourteenth year of a previous connection, I had my best year's income of \$5,025.00. In my first calendar year with Franklin I had an income of \$11,563.93. I am only sorry that someone didn't tell me about this wonderful company many years earlier. I will never understand why any man will represent a company where he has to work twice as hard and only be paid half as much money.

It is a privilege to be associated with a company where the agent comes FIRST.

Sincerely,

Claude Macon (signed)



*The Friendly*  
**FRANKLIN LIFE INSURANCE COMPANY**

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

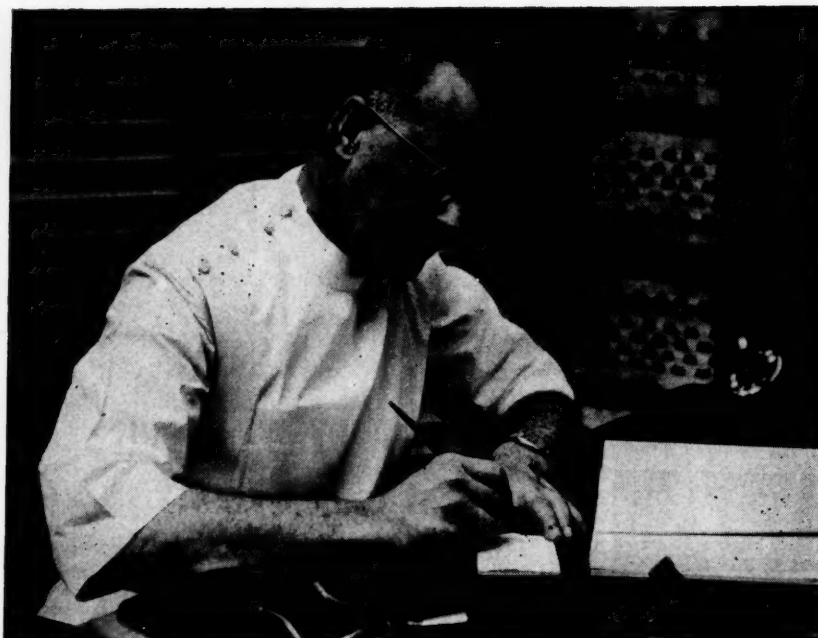
DISTINGUISHED SERVICE SINCE 1884

*One of the 15 Oldest Stock Legal Reserve Life Companies in America*

OVER \$900,000,000 INSURANCE IN FORCE

AMERICAN LIFE CONVENTION

FRIDAY, OCTOBER 6, 1950



## PREScribe FOR YOURSELF

By Walter B. Redman, Detroit

It wasn't until I was in my middle forties, and had been associated with the Provident for almost 10 years, that I took serious account of what my wife and I would have as income on which to live during the "sunset years."

Frankly I was so amazed at what we wouldn't have, that I set up an insurance program that forced us to deposit twice as much of our income as we had formerly been saving. Naturally this meant more careful management of our finances—and many times I turned my back on a clothing store window and wore the old suit a little while longer.

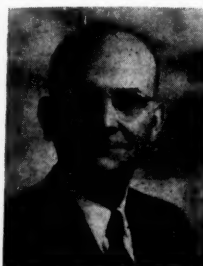
Persistent saving through life insurance in those years not only gave me the security I desired for the future, but also provided me with an excellent sales presentation to show to my prospects. Over the years, I

have found that my prospects were always glad to see just what a life insurance man does in "taking his own medicine." Certainly, there's no better way to prove your belief in your product and in your business.

Throughout the 27 years I have been associated with the Provident, I have always placed a high value on my clients, in the belief that if I took care of them, they would take good care of me. Now I find that as much as 65 per cent of a year's

production may come from insurance placed on the lives of children and grandchildren of old policy owners.

Thus, my first-year commissions, my renewals, the Company's supplementary compensation plan, and my own insurance program provide me with adequate income during the "sunset years" which I now enjoy.



### Sales Ideas from "Provident Notes"

published by

**PROVIDENT MUTUAL LIFE INSURANCE COMPANY of PHILADELPHIA, PA.**

## Social Security Act Still Needs Major Changes

### Hohaus Says Revision Is Improvement But Doesn't Go Far Enough

The social security act of 1950, in the act, is a substantial improvement over the former law but it does not provide the final answer to the problem of providing old age benefits on a sound basis,

R. A. Hohaus, actuary of Metropolitan Life, told the National Actuarial Assn. at its annual meeting.

There is still much unfinished business if the system is to escape the pitfalls that lie ahead because of defects that are still inherent in it, he warned. Mr. Hohaus expressed the hope that the Senate finance committee will press on with the study of an over-all rehabilitation of the plan which it has resolved should be done.

Social security coverage should be extended to cover all the employed on a pay-as-you-go basis, he suggested, in representing an analysis of the revision of the law and a discussion of changes that should be made.

#### Reasons for Appraisal

One of the reasons for his favorable appraisal of the revision was that it checked though it did not reverse the mushrooming of public assistance expenditures and the resulting loss of confidence in old age and survivors insurance which in a matter of time would have meant the end of O.A.S.I. The bill also extends coverage to occupations not previously included though it still falls short of the desirable optimum. The "new start" method for determining eligibility is an improvement over the liberal alternative methods which were originally in the bill. There will be a substantial increase in the proportion of the elderly population to qualify for benefits in the near future. An estimated half million aged will be added to the benefit rolls in the first year of operation. The benefit formula was revised along sounder, simpler lines than the original suggestion of average monthly wages and the annual increment and total and permanent disability benefit proposals were tabled.

The revision adds 7¼ million jobs on a compulsory basis and perhaps two million jobs on a voluntary basis, to the 11 million already covered during a typical week. With the civilian labor force now more than 60 million, this leaves at least 15 million workers or 25% of the labor force without O.A.S.I. coverage. For some of these the same protection but more generous benefits is available through special plans such as civil service and railroad retirement. However, Mr. Hohaus said, special treatment of favored groups is discriminatory against those who rely on government provision of social security benefits. The proper approach,

(CONTINUED ON PAGE 13)



R. A. Hohaus

## Life Advertisers Assn. to Convene at Atlantic City

Life Advertisers Assn. annual convention will be at the Hotel Claridge, Atlantic City, Oct. 23-25.

Guest speakers will be Roscoe Ellard, journalism professor Columbia University graduate school; Dr. Millard C. Faught, president the Faught Co., management consultants; Holgar J. Johnson, president Institute of Life Insurance; Ernest Schmittolla, purchasing agent and head of the estimating department of Publishers Printing Co., and Walter Weir, president of Walter Weir, Inc., advertising copywriters.

Round table discussions will each have an L.A.A. exhibit judge as guest consultant and will cover "direct mail and other sales promotion" with Irene Morgan, National Life of Vermont, presiding and Horace Nahn as consultant; "publications" with Jack Morris, Business Men's Assurance, presiding and Mr. Schmittolla as consultant, and "public relations and national advertising" with Gus Hansch, Mutual Benefit Life, presiding and Fred Rudge as consultant.

### To Study A.M.A. Plan

A. & H. Underwriters Assn. of Los Angeles at its first fall meeting authorized appointment of a committee to study the American Medical Assn. nationwide advertising campaign to combat socialized medicine.

Walter McAdam talked on salesmanship.

## H. C. Fisher Heads N.A.L.U. Nominators

H. Cochran Fisher, Aetna Life, Washington, D. C., former trustee of the National Assn. of Life Underwriters, has been elected by the nominating committee of N.A.L.U. as its chairman.

Others elected to the committee at the recent N.A.L.U. convention in Washington, D. C., are David Marks, Jr., general agent of New England Mutual at New York City; Foster A. Vineyard, general agent of Aetna Life at Little Rock; Edward L. Allison, Northwestern Mutual, Tulsa, and Ellen M. Putnam, National Life of Vermont, Rochester, N. Y.

### Distribution of Membership

The by-laws provide that two members of the nominating committee shall be general agents or managers; two agents with no field management responsibility, and one agent who has had previous experience on a nominating committee. Mr. Fisher was in the latter category.

## Start Miss. Boom for Clant Seay

A movement is reported to be under way to bring into the race next year for Mississippi insurance commissioner Clant M. Seay, of Jackson. Mr. Seay is executive secretary of Mississippi Assn. of Insurance Agents. He is a lawyer and thoroughly acquainted with the insurance business.

## New M.D.R.T. Executive Committee



Those comprising the new executive committee of the Million Dollar Round Table gathered at Atlantic City to plan the year ahead. Seated, from the left, are John O. Todd, general agent Northwestern Mutual, Chicago, the new chairman, and Theodore Widing, general agent Provident Mutual, Philadelphia, the outgoing chairman. Standing, from the left, are G. Nolan Bearden, New England Mutual, Los Angeles; William T. Earls, Connecticut Mutual, Cincinnati, and Walter N. Hiller, Penn Mutual, Chicago, vice-chairman.

## Sense of Mission Spurs Hard Working M.D.R.T. Members

### Coronado Beach Selected for 1951 Annual Convention

By A. A. HOEHLING

ATLANTIC CITY — With both international and national uncertainty as a backdrop, the Million Dollar Round Table rolled through an unusually rigorous annual convention here and adjourned on a vigorous note of optimism.

More than 350 delegates from the United States, Canada, Hawaii and Venezuela were welcomed by Chairman Theodore Widing, Provident Mutual, Philadelphia, and then wished well on their departure by the new leader, John O. Todd, Northwestern Mutual, Chicago.

It was decided to hold the M.D.R.T. convention next year at Coronado Beach, Cal., immediately following the N.A.L.U. meeting at Los Angeles.

Life members of the M.D.R.T. characterized this year's session as perhaps the most serious and studious ever held. Speakers, famed either on a national or industry basis, or both, dwelt on the widest possible latitude of topics, from the dangers of inflation and communism to the innermost technicalities of estate planning and business insurance. Informal work sessions carried forth in the same tempo. The responsibilities of agents to the national welfare and security in a time of crisis were stressed time and time again.

### M.D.R.T. Has Come of Age

One past president of the group summed up the tenor of the conference when he stated that the M.D.R.T. has demonstrated beyond a doubt that it has come of age. He added that he was not only impressed by the feeling of confidence pervading the meeting but as well by the realization by all members of their important place in today's social and governmental structure.

Highlights of the in-between session periods included a banquet by Provident Mutual, a reception by Prudential and a golf tournament. As in other years, this was primarily a work affair, wives were not invited and entertainment was kept to a minimum.

Mr. Widing opened the convention on a serious note, as he paid tribute to the elder statesmen of the M.D.R.T. who had set the high standards.

Digests of some of the M.D.R.T. talks follow. Others are treated at fuller length elsewhere in this issue.

### New Social Responsibilities

New social responsibilities today confront the life insurance business, Judd C. Benson, immediate past president of the National Assn. of Life Underwriters, said at the traditional breakfast.

"One responsibility," he told the group, "falls upon us as underwriters—to make certain that the benefits of life insurance are very widely distributed; another falls upon company executives—to make equally certain that life insurance rises above public criticism by assuming its proper role in a vital and expanding economy."

Because life underwriters are the fore-

(CONTINUED ON PAGE 14)



## Most M.D.R.T. Members Not Quite Ready to Ask Estate Planning Fee

ATLANTIC CITY—The question of agents accepting fees for estate planning proposals was injected into a forum at the M.D.R.T. and, in spite of some testimony aimed in its support, it was quite generally found to be a practice not quite ready for adoption by most delegates.

This was one phase of a full Sunday afternoon devoted to forum discussions on estate planning, business insurance and employee benefit plans.

George B. Byrnes, Equitable Society, Pasadena, one of the discussion leaders in the estate session, brought up from an objective standpoint, the desirability both to the agent and the customer of the former charging a fee for his original work in drawing up an estate plan. He said there is reason to believe the agent is more likely to get the business if a fee is charged and pointed out the amount of work which goes into such planning even though the effective rate of actual sales may be as low as 25%. He said that he knows fees are charged in Texas, at least to an extent.

Leonard Mordecai, Northwestern Mutual, Boston, said that he works with a lawyer to draw such estate plans, but does not charge a fee. It was then brought out by others that the practice is not permitted in Pennsylvania at least and that agents would be encroaching upon the jealously guarded prerogatives of lawyers if they entered into fee charging. It was also stated that the Bar Association would doubtless take action if such a practice assumed large proportions. At the same time attorneys were characterized as highly important allies in the selling of insurance and it was urged that nothing be done to take them away from the side of the agents.

### Not Yet the Time

However, the consensus was that it was not yet time for agents to charge fees, rather than that there was a basic reason why such fees should not be set. It was decided at the meeting, one of the most heavily attended of the afternoon, not to call for a show of hands of those who had charged fees.

Mr. Byrnes stressed the need for thorough preliminary work in estate planning, obtaining complete information on the case, and then having the ability and the interest to follow through. He said service checks on a plan which has been put into effect are desirable from the agent's point of view not only as a matter of aid in meeting changing situations but as well from the chance they offer to sell new insurance. He declared that the agent who predicates his philosophy on quick sales simply opens the door for the careful, painstaking members of his business who will later become that customer's lifelong estate planner.

Sadler Hayes, Penn Mutual, New York, described in detail what he termed an automatic life insurance trust, as worked out by himself. He said it is a means of developing an effective life insurance policy that operates on a maximum return basis, reducing need for changes to a very minimum. The system, he explained, operates so as to afford a widow the utmost money during the years when her children are growing up. He said it assures a good reservoir of income.

### How Much Under Interest

The major questions arising during the discussion dealt with the inroads inflation would make on a trust spread out over the years, and for this reason, whether a flat 10 year payment period would not serve the purpose better. There was also debate on how much in an estate plan should be put under interest.

Mr. Hayes asserted that the advantage of this automatic trust lay in the fact that it is arranged so that maxi-

mum financial benefits for that particular time will be enjoyed by the woman regardless of when her husband dies—and this without periodic revision. This he said he accomplishes through a proper balance of cash settlements, interest payments, and annuities. Kenneth G. Brown, Canada Life, Hamilton, Ont., was chairman of the estate group.

Leading the discussion at the employee benefit plans discussion, Robert P. Burroughs, National of Vermont, Manchester, N. H., and past chairman of the M.D.R.T., said that more widespread public education is needed so the public will better understand the advantage of insured plans as opposed to uninsured. He pointed out that the companies themselves must lead in this respect, if they want to increase their pension work. He was seconded in this by Denis B. Maduro, New York attorney.

### Company Pension Responsibility

Arthur S. Morgenstern, Mutual Benefit Life, Seattle, said that the companies have a particularly great responsibility to educate the unions until they come to understand that pension plans must be actuarially sound. He emphasized that unions are apt to be swept off their feet by a picture which looks good at the moment. He said unions are often unaware of the dangers of depending on company plans which are not adequately funded.

At the same time, Mr. Morgenstern, Meyer Goldstein, Equitable Society, New York, and others as well joined in admonishing that agents are still lagging in following up pension possibilities although their companies in many instances are commencing to take the

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## Agent's Vital Role in Estate Planning

The life insurance man has a vital role to play in the comparatively new profession of estate planning, according to John D. Marsh, Lincoln National general agent at Washington, D. C., speaking before the Million Dollar Round Table.

"He is in the unique position of being able to seek out, motivate and stimulate persons to recognize their problems without impugning his professional status," Mr. Marsh pointed out, whereas lawyers, trust officers and accountants are handicapped by certain restrictions affecting their respective professions.

He said he believed that the life insurance agent who is doing estate planning must approach every case on the premise that his client is uninsurable. "This," he said, "is often a difficult assignment, due to the fact that his primary compensation is derived from commissions; but I am convinced that such an approach can be achieved." His organization, he said, strictly adheres to two pieces of philosophy, namely, that estate planning is not a device to sell life insurance, and that a complete job must be done in every case regardless of the outlook for financial compensation.

"One of the great faults of many of the so-called 'estate planning' approaches," he declared, "is its use as a method of determining minimum requirements for the prospect and to prod or trap him into buying life insurance; then, once the life insurance is sold, to 'kiss off' the many implied promises that were made about arranging the client's affairs," he stated.

American National has promoted M. C. Kerby, formerly assistant manager at Pasadena, to manager at Salt Lake City.

## Linton Warns of Consequences of Term Insurance

With the current fears of growing inflation, "the advocates of term insurance have reappeared preaching the unsound doctrines," M. Albert Linton, president Provident Mutual Life, M.D.R.T. "Having the welfare of policyholders at heart, it is our business to separate the wheat from the chaff, and to avoid being drawn by the prevailing mood into paths likely in the long run to lead to serious loss to our clients."

By means of tables, he illustrated the advantages of cash-value insurance over term insurance, particularly renewable term insurance under which term policies may be renewed at the end of each period for an increased premium. Taking \$10,000 of insurance protection as an example, he showed how at the age 25, the term premium is only about 40% of ordinary life insurance. "That," he stated, "is what makes term insurance so deceptively cheap. Therein lies its lure."

He went on, however, to demonstrate how the costs on the same amount of protection compare in the successive decades from the starting age to age 35. "Take, for example," Mr. Linton said, "age 35 at issue. Over the 30-year period the term would have cost \$3,749, the ordinary life \$6,546. For the difference of \$799 the ordinary life policy would have a guaranteed cash value of \$5,359, as compared with zero for the term. Furthermore, if the policyholder desired to continue his protection \$10,000 of ordinary life at that age would cost over \$800 a year, as compared with the continuing \$218 for the ordinary life taken at age 35."

"When a renewable term policyholder reaches his 60s and looks back over the past, he is likely to criticize strongly the company which collected so much money as compared with ordinary life and refuses to pay him a cash value," he warned the group. "Arguments about compound interest on the amounts he would have had to pay for ordinary life policy in the earlier years fall on deaf ears. The policyholder is emotionally upset and rational arguments fail to prevent an adverse reaction to the company—frequently expressed in strong language to his circle of friends."

"A similar type of reaction is likely to be encountered among those who are forced to drop their insurance as premiums mount with the successive renewal dates. When they see what could have done with ordinary life, the premiums of which would not have increased, they, too, are likely to entertain unfavorable opinions of the company whose representatives got them into such an unsatisfactory position. They will regret having succumbed to the lure of term insurance, with its deceptively low initial cost."

Declaring that there is a legitimate use for term insurance for limited purposes and in appropriate amounts, Linton, nevertheless, pointed out the trouble "is being laid up for the policyholder when the lure of low first cost causes term insurance to be sold as a basis for a long time program of protection and separate investment, where the advantages of cash-value insurance are not sufficiently set forth to cause the policyholder to make possible budget adjustments to enable him to solve for it."

"Moreover, over the productive years extending to age 60 or 65, the aggregate insurance needs of men are likely to increase rather than decrease. Hence all programs involving decreasing term insurance should be given the most careful scrutiny. Once a policyholder comes uninsurable the inexorable increase in his insurance protection over the years can be most exasperating, to mention serious from the point of view of the family which may require expanding protection."



## The BEST Life Insurance Company

There is only one life insurance company in the world which can be called the "BEST"—it's that company which has a policy in force on the life of the man who dies, who needs emergency funds, or who is (willing or not) ready to retire.

Any other life insurance company will hold little favor to the dependent widow, the man who is hard pressed for funds, or the old man whose working power is gone.

To make "prospects" become "policyholders" is the duty of every life insurance salesman, for only in this way can a man or woman be started on the road to finding the "BEST" company. And only by encouraging and urging the policyholder to keep his insurance in force can the conscientious underwriter be sure that his client holds a policy in the BEST LIFE INSURANCE COMPANY IN THE WORLD!

Insurance in force August 1, 1950—\$455,199,036

**COMMONWEALTH**  
LIFE INSURANCE COMPANY  
LOUISVILLE



## Atom Bomb Raises Questions for Insurance as Whole

The consequences of the use of atomic bombs raises questions for the entire insurance business and no segment can consider its problems in isolation, Robert E. Dineen, vice-president of Northwestern Mutual Life, told the M.D.R.T. "The broad question is presented," he said, "as to whether the loss of property and life should fall entirely upon the citizen, entirely upon the government or upon both. This is a key question in all compensatory schemes involving war damage. Still another question is whether or not such plans should be voluntary or compulsory and thereby assume tax characteristics."

Mr. Dineen emphasized that his purpose was not to present the answers to these questions, but to emphasize their complexity. Pointing to the staggering implications of the problem, he asserted that "the life insurance business, before accepting any plan excluding civilians from coverage against modern hazards of war, owes an obligation to the public and to its producers first to explore exhaustively any alternative method by which the risk can be covered." "Before we say no," he added, "let us make sure that we have fully considered the possibility of saying yes."

### Dubious on Government Partnership

"Another idea," he continued, "was the suggestion that the companies should furnish their facilities and government protection would underwrite the losses or at least beyond a certain point. But this involves a partnership with government. Many people are chary of this arrangement lest as a result the government become first the senior partner and thereafter the surviving partner. Interestingly enough the stock fire insurance business, which is allied with the ocean marine insurance business, had no hesitations in going to Washington during the first war and participating in the creation of the War Damage Insurance Corp. Earlier years, the ocean marine carriers had no hesitations in allying themselves with the government to carry out the programs described above."

"In considering what, if anything, the life insurance business can or should do in making its facilities available, we should bear in mind that if we cannot do so well, we should not undertake to do it at all. A shabby performance during the agencies of war might destroy the reputation for competency which our business has developed over generations."

The consideration of these vast problems calls for the highest degree of statesmanship, Mr. Dineen concluded. "We hope that when the decisions are made, the whys and wherefores will be made known fully and articulately to those who labor in the field so that they can not only gauge the soundness of the decision reached but can pass on to those who buy insurance the reasons for the decisions adopted. This is a field which will call for the highest degree of competence in public relations because what is done must not only satisfy the insurance business and Congress, it must satisfy the man on the street. Public acceptance of our production to the present time indicates that the business has met this responsibility. Let us hope we can continue to meet it by solving the new problems presented by these advances in science."

### Colorado C.L.U.s Elect

Colorado C.L.U.s have elected Allen Lefferdink, Colorado Credit Life, president; Louis C. Halley, Security Life & Accident, vice-president, and John R. Hartley, Massachusetts Mutual, secretary. Mr. Halley has been appointed instructor of part A of the C.L.U. course at Denver University.

## Giannini Says LISA Plan to Continue

The optimistic hopes of many California life insurance people that the Bank of America would dissolve its life insured savings account program saw their anticipations go up in smoke when L. M. Giannini, president of the bank, said that "we have no intention of withdrawing the program as long as there is public demand (for it)."

However, he went on to emphasize that the program does not compete or interfere with the institution of life insurance, but rather is intended to promote life insurance. He added: "It will bring a consciousness of insurance to a great many people who otherwise would not be interested. When they have completed their savings accounts many of them will be interested in supplementing it with life insurance through the customary channels."

The plan has been the target of many verbal blasts by individual life men who claim that it is the wedge that will open the door to savings bank life insurance in the state, and several of the local associations have sent resolutions condemning the bank's plan to the California Life Underwriters Assn.

### Doyle Milwaukee Speaker

Clint Doyle, field supervisor Loyal Protective Life, spoke on "Getting Action in the Interview" at the October luncheon-meeting of A. & H. Underwriters of Milwaukee. The advertising committee, headed by Alfred K. Perego and G. Verne Randall, both of Wisconsin National Life, explained the advertising-tie-in and copy to be run Oct. 8 in the Milwaukee newspapers by the association in connection with the A.M.A. campaign. The A&H advertisement, financed by agents, will contain the names, address and phone number of those participating.

## Wetterlund Again Heads Insurance Economics Society

Ray H. Wetterlund, Washington National, was reelected president of the Insurance Economics Society at the annual meeting in Chicago. Other officers reelected are C. W. Young, Monarch Life, 1st vice-president; E. W. Craig, National Life & Accident, 2nd vice-president; H. O. Fishback, Jr., Northern Life of Seattle, secretary, and G. F. Manzelmann, North American Accident, treasurer.

Elected to the executive committee for three-year terms were W. T. Grant, Business Men's Assurance; W. G. Alpaugh, Inter-Ocean; V. J. Skutt, Mutual Benefit H. & A.; A. J. Cartinhour, Provident L. & A.; and A. D. Johnson, United of Chicago. Frank Harrington, Paul Revere, was elected to fill out the term of the late Paul Garey, Loyalty group.

In his annual report, Managing Director E. H. O'Connor warned that further demands for inclusion of permanent and total disability in social security coverage will be made in the next Congress. He outlined plans for handling state legislation, though pointing out that some matters are problematical because elections are coming up. He expects a state cash sickness bill to be pushed in Massachusetts.

### Opens Rochester Office

State Mutual Life has opened a new group office in Rochester, N. Y., with Furman B. Phelps in charge. Also, Rick O'Shea has been transferred from Buffalo to Baltimore.

Mr. Phelps was with the group department of Travelers prior to army service. He joined State Mutual in 1947 as group representative in New York City.

## Hansen Warns Banks of Danger in Uninsured Pensions

### Failure May Get Them into Political Fight for Very Existence

Banks, even though they may be only neutral administrators of uninsured pensions, may be involved in a political struggle for their very existence should there be any significant failure of their plans, Stefan Hansen, group actuary of Great-West Life, asserted before the Million Dollar Round Table.



Stefan Hansen

"Failure to design soundly and to underwrite scientifically the colossal volume of pension commitments now being made can end only in catastrophe," he warned. "In the political climate of today, who will venture to predict the effect of any important failure to meet in the future the pension commitments being made now."

"Notwithstanding that they have guaranteed nothing, but have undertaken only neutral administration of uninsured pensions, the banks may find that any significant failures of their plans may engulf them in a political struggle for their very existence. And that is as it should be. Private enterprise, life insurance and banking included, to justify its existence must demonstrate its ability to plan with vision the human relations in an area so wide and so important as the entire lifetime of workers after their retirement."

Only the insurance industry, Mr. Hansen said, can offer, through its services and guarantees, complete relief from the risks assumed by an employer in the establishment of a pension plan.

### Only Sound Way For All

"For management, it is the only sound way to undertake pension commitments," he declared. "For workers, it is the only safe way to accept pension promises. For both, it is less costly and more secure."

Mr. Hansen listed seven major risks of inadequate funding faced today in the establishment of many pension plans, particularly those of the smaller employer. They were: Longevity after retirement, the current philosophy on age at retirement, the period after retirement, labor turnover, mortality before retirement, interest earnings on fund accumulated before retirement, and the great unknown of investment losses.

Each of these risks, he stated, "may account for cost variations of anywhere from 10% to 300%. Together their effect may be very great indeed. It is not impossible that an employer who thinks he is fully funding his pension costs will in the end discover that he has funded no more than half of them. But even a lesser under-funding can be very serious. For example, if for 20 years an employer under-funds by only 25%, he will find that for the next 20 years his pension contribution must be 88% higher than it was for the first 20 years," he concluded.

Eastern Life, the Farm Bureau Life of Ohio, and the Great American Reserve have become members of Life Insurance Association.

## Fill In

Robert W. Ebling, Jr., of our Carr R. Purser Agency in New York City, speaking at a Regional Conference, talked of the importance of using Direct Mail and working constantly to have on hand names of prospects to see. He said:

"Haven't you all, and probably much too often, had this happen to you? You had a definite appointment with Mr. Jones at 2:30 in Wall Street, but out comes his secretary to apologize that Mr. Jones was suddenly called out of town, or too busy to see you now. Your next appointment is not until 3:30, so now what?"

"You are too far away to go back to the office. You could go window-shopping. You could go see some uninsurable school friend and chat with him about the status of the New York Giants. But wouldn't it be better for you and your pocketbook to have handy a list of names, or a batch of Direct Mail replies that are located in that vicinity?"

### THE PENN MUTUAL LIFE INSURANCE CO.

MALCOLM ADAM

President

INDEPENDENCE SQUARE, PHILADELPHIA

## Too Much Listening to Speeches and Not Enough Action

### Little Company Action in Field of Management Responsibility

Raymond R. Brown, president of Standard of Oregon, addressing the general session of American Life Convention, criticized what has been done in the field of "Management Responsibility" as too much listening to speeches and agreement in principle and not enough action. He said that only a few companies have done any substantial work in this field, the majority letting the job fall to Institute of Life Insurance, L.I.A.M.A. and other national organizations.

Mr. Brown said that fulfillment of

responsibilities at a local level is a job for individual company management. The sum of the efforts of all managements of the more than 600 life companies, if all were to assume their full responsibilities of leadership in their own communities, would assert a great stabilizing influence, he declared.

Public attitudes toward life insurance can help management to define the course of action. Mr. Brown said his company has had a professional research organization check on public attitudes in Oregon, and it has come up with a number of interesting answers.

#### Why They Buy Life Insurance

To the question, "For what reason do people buy life insurance?" 73% answered family protection, 10% said savings and 8% retirement.

The strongest individual appeal to prospective buyers is family protection, and people apparently would buy life insurance for retirement to the extent of only 8%. The total of those who would buy for savings would be 18%.

When the question was asked, "What do you think are the best ways of providing future financial security for your family?" the three leading answers were: Save money 37%, life insurance 27% and buy bonds 19%. Mr. Brown commented that it seems obvious that

people do not consider life insurance to be the complete answer to financial security. He asked whether the business doesn't need to take some action on doing a better job of presenting life insurance as an answer to the desire for security.

#### What People Think of Companies

Questions were asked as to what people think of the companies and their agents. To the question, "In doing business, which one of the following types of business do you think tries to satisfy its customers the most?" department stores led with 32%; banks, 25%; telephone companies, 20%; newspapers, 13%; life insurance companies, 6%. Even owners of life insurance give their preference in this order, Mr. Brown remarked. There is a big job to be done in this field and because more than 80 million people own life insurance, it doesn't follow that they like their companies or think they are doing a top job for the public.

The question was asked, "Which group do you think would be the most likely to put your welfare before their own personal profit?" The answers were teachers, 21%; doctors, 20%; farmers, 16%; small merchants, 15%; congressmen, 11%; life insurance agents, 9%, and lawyers, 8%.

These findings clearly define a responsibility of management and definitely call for action, Mr. Brown pointed out. He asked what has happened to the efforts over the past years to improve services and develop agency forces to a more nearly professional status. Has the public had time to catch up? Haven't the efforts been widespread enough among the companies to have an effect?

#### Attitude on Big Business

The questioners took up the attitude on big business and found that 43% think it is good, 40% think it is bad, and 17% are undecided. As to what constitutes big business, the answer was life insurance companies, 75%; banks, 73%; savings and loan associations,

62%; newspapers, 69%; private power companies, 62%.

Therefore, Mr. Brown pointed out, life insurance companies are recipients of any adverse reaction toward big business and 40% of the public in Oregon think that big business is bad.

Furthermore, 61% of the people think that big business is out to make money and only 28% think it has the public's interest at heart.

#### Two Guides for Action

He suggested that there are two definite guides for action: Companies should identify themselves and their executives more closely with the community and the public they serve, and capitalize in the state of their domicile on being local businesses. Based on experience, it can be shown that those people who know the company and its executives as leaders in community welfare also have the best opinion reactions to the business. Decriers of big business speak more softly when they hear and read that the local business firms furnish local employment and help develop a state or group of states. Mr. Brown advised exploiting this loyalty note, not for business, but because it has been demonstrated that it will improve public reaction.

#### Three Management Responsibilities

There are three management responsibilities based on these findings, Mr. Brown suggested.

1. To see that a life insurance type of security that preserves individual freedom and opportunity prevails over the leveling collectivist plans.
2. See that any gaps in the field of personal insurance that are in public demand are filled quickly. The business must not let it be said that it is not capable of providing adequate security at an acceptable cost and will have to provide further excuse for advocating federal entry into the business.
3. Become active in bringing light bear on public issues of the day that affect the security of policyholders directly or indirectly.

#### Life Insurance

#### Accident and Health Insurance

#### Hospitalization

#### Surgical Benefits

#### Medical Care

#### All forms of Group Insurance

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At the dinner honoring "Jim" Wynne of Sun Life of Canada: Bruce E. Shepherd, manager Life Insurance Assn. of America; Mr. Wynne; and Orrin Brown, manager premium tax department of John Hancock who was toastmaster.

Friends of "Jim" Wynne of Sun Life of Canada who attended the American Life Convention meeting in Chicago turned out in force to honor him at a testimonial dinner. For years Mr. Wynne has been a leader in promoting a better and more uniform handling of premium tax collections by the various states. In about 11 months he will retire and the dinner was not only to express appreciation for his work in the premium tax field but also the affection in which he is held by those who have worked with him over the years in the other companies and organizations.

Orrin Brown, head of the premium tax division of John Hancock, was toastmaster.

Warner Haldeman, Penn Mutual, recalled how a score of years ago Mr. Wynne had shown the other companies how important premium taxes were.

"He has taught us all a great deal

and done a wonderful thing for the industry," said Mr. Haldeman. He hoped to persuade Mr. Wynne to take over from him the chairmanship of the premium tax committee, to which Mr. Wynne assented.

Bruce E. Shepherd, manager of Life Insurance Assn., and Robert L. Brown, executive vice-president of the ALA, also paid tribute to Mr. Wynne's work and continued work in this field, as did J. J. Magovern, Mutual Benefit, and A. A. Tousaw, Sun Life.

In his response, Mr. Wynne pressed appreciation for the tribute paid him and the gift presented by Brown on behalf of the group. He was complimented on being asked to serve as chairman of the premium tax committee.

"You have indicated that I've parted something, but I've received much more, not only in work but in associations," he said.



## Fight on Wisconsin Plan at Medical Society Meeting

A resolution to withdraw endorsement of the Wisconsin Plan of prepaid medical care was one of the hottest issues before the annual meeting of Wisconsin State Medical Society at Milwaukee this week. It is the oldest and probably the most successful of the insurance company-sponsored medical care plans, with about 25 companies now participating. The resolution was rejected by the house of delegates.

The plan has strong support from certain groups of doctors but also strong opposition from two competing organizations, Surgical Care, sponsored by Medical Society of Milwaukee County and available only in that county, and Wisconsin Physicians Service, sponsored by the state medical society and operating the rest of the state. Both are tied with Blue Cross and Blue Shield.

The Wisconsin Plan operates throughout the state and is especially strong in the rural areas. It covers surgery done in doctors' offices, while Blue Shield provides coverage only for emergency surgery done outside of hospitals. Doctors in some of the urban areas where there are general hospitals object to this claim that it gives an unfair advantage to those in the rural territories.

Dr. H. H. Christofferson, Colby, insurance type, president of the State Medical Society, who was one of the originators of the Wisconsin Plan, was expected to put up a very strong fight on its behalf. Dr. Elmer L. Henderson, Louisville, president of American Medical Association, who is attending the meeting, advised against hasty action and said this "no time to rock the boat."

### KASTNER REPORT

## Further Pressure Inevitable for Disability in SS

The life insurance implications of legislation passed by federal and state governments in 1950 were reviewed before the American Life Convention Legal Section meeting by Ralph H. Kastner, A.L.C. associate general counsel. Included were summaries of the new social security law, the new federal tax law, federal housing legislation and a number of significant tax and other laws.

Mr. Kastner also touched upon significant litigation during the year. Among these cases were 18 concerning war and aviation clauses and a number of other cases concerning total and

permanent disability, unauthorized insurers, taxation, death by accidental means and workmen's compensation-unemployment compensation.

None of the federal proposals on health insurance made progress during the year, Mr. Kastner reported, and he said he does not expect them to advance in 1950. He said that legislation revising National Service life insurance is probable next year and that pressure for total and permanent disability benefits in social security are certain to continue, and must again be resisted by the life insurance business.

Discussing litigation, Mr. Kastner

said that in the past year 18 cases were digested in the A.L.C. legal bulletin involving aviation and/or war clauses. Only half were favorable to the insurer as compared with a year ago when, out of 19 cases, 13 were favorable to the insurer and only six favorable to the beneficiary. In one case, at least, *Mullen v. Pacific Mutual Life Ins. Co.*, 179 F. (2nd) 556, 62 A.L.C. 69 (C.A. 3rd, Jan. 18, 1950) involving an A. & H. policy, the court very reluctantly held in favor of the insurer where the policy provided an exclusion if disability resulted wholly or partly, directly or indirectly, from "(a) . . . sickness con-

tracted while the insured is engaged in military or naval service in time of war, (b) . . . sickness caused by war or by any act of war . . ." The insured was a medical officer at a naval station in Maryland and contracted scarlet fever and myocarditis in 1945. The court held that since the clause in question was a status clause, the insurer was not liable for disability benefits but complained that the insurers "in their quantity of fine print have inserted provisions relieving themselves from obligations which premium payers not unreasonably think they are entitled to have performed."

"WELL, I'M CERTAINLY GLAD  
TO SEE YOU AGAIN!"



This is the kind of relationship with our policyholders that we want The Mutual Life's Field Underwriters to cultivate. So we encourage such follow-up "service calls" by paying our Field Underwriters extra compensation for making them.

These visits are primarily intended to offer our policyholders free professional counsel on family security problems. They are, of course, a natural extension of our INSURED INCOME approach to life insurance selling—which is a visualization of the prospect's needs. Since those needs inevitably change, so should the life insurance program.

One by-product of the service calls is the frequent development of repeat business among present policyholders. Take the case of the policyholder who made the remark quoted above. Over the years, our Field Underwriter has been able to help him adapt his life insurance program to changing circumstances and responsibilities many times.

Today, this client owns six times the amount of life insurance he had the first year of his marriage. He has become "many customers in one." And he is a *satisfied* customer because—without having to request it—he has had continuing service.

Our 2nd Century of Service

# THE MUTUAL LIFE

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BROADWAY AT 55TH STREET *Insured Income* NEW YORK 19, NEW YORK



President Dwight L. Clarke of Occidental and Mrs. Clarke at the A.L.C. meeting in Chicago.

## Must Maintain "38th Parallel" in Life Insurance: Moynahan

### Issue Between Man Providing for Himself or Being Provided For

The importance to life insurance of maintaining a "dividing line" which can well be compared with the 38th parallel in Korea was stressed by John D. Moynahan, Metropolitan Life, Berwyn, Ill., speaking before American Life Convention in his first appearance as president of National Assn. of Life Underwriters.

"The 38th parallel was established as a boundary line—a boundary line that stood for something far more significant than a dividing line between

states," Mr. Moynahan said. "This imaginary line divided in a way, then remote, the two greatest and most dynamic political forces in the world. On one side of that line all thought and energy was directed for nearly five years toward a policy of usurpation and conquest. On the other side stood the cause of freedom and liberty.

#### Responsible to Policyholders

"We, too, have a parallel in this business of life insurance, which is just as important to our way of life as was the imaginary line in Korea. It is our responsibility to our more than 80 million policyholders to see that it is not violated. As we conceive that imaginary line we feel duty bound to protect and preserve the standards that have made this business great. But, more than that, we are honor bound as Americans to preserve our most cherished possessions, our God-given liberty, independence, and respect for the dignity of men.

"The fundamental difference in the two forces at issue in our world is whether it is man's responsibility to provide for himself or his right to be provided for. We know in our hearts and minds that the difference between these ideologies in the ultimate is the

only difference between liberty and servitude. Our business, as it has existed for the past century, is the finest means available to guarantee, through man's acceptance of his personal responsibility, the possession of his personal liberty. Life insurance executives in the home offices and representatives in the field alike have a devout obligation and a serious responsibility to our 80 million policyholders to see that this 'parallel' is not violated."

#### Confident of Fulfilling Promises

He said field men are proud of their companies—not because of their size as financial institutions but because of confidence and trust held in them by the American public, which has been brought about by more than a century of dependable performance. They are staking their reputations, their fortunes and their futures "on the absolute confidence that the representations and promises we make will be fulfilled to the last letter and to the last penny by our companies. Selling life insurance is not an easy job but we are well aware that guaranteeing the fulfillment of the contracts we sell is, even at best, no sinecure. Although our functions are different, we both deal with the same problems and the same forces—social and economic—and we both deal in long range objectives.

"Perhaps the principal reason we have been so successful in this business of ours is because we have furnished a vehicle through which a free and independent people may, by their own personal efforts, through thrift and self-sacrifice, be aided in attaining their goals in life, by which they may provide financial protection for their loved ones against the hazards and vicissitudes of life; and by which they may assure for themselves a measure of independence and security. We shall continue to be successful in this business only as long as it remains the personal obligation of a free man to provide for himself and for his own."

#### Other Smaller "Parallels"

He also took up other smaller "parallels" within the business that must be defended if it shall survive. He spoke of the "forceful but dignified way in which we have accepted our obligations as a professional organization to protect the rights of our members in legislative chambers." He referred particularly to efforts in opposition to the vertical increases in social security benefits. N.A.L.U. did urge, however, the horizontal expansion of benefits to bring more citizens under the plan. He recalled the series of successful pension conferences conducted in the past few months in large industrial centers; public education programs, support of the recommendations of the Hoover Report, cooperation with American Medical Assn. in opposing compulsory health insurance, and promulgation of legislation to terminate NSLI and substitute in its place gratuitous indemnity for all those who lose their lives in the armed services.

"We are currently defending other smaller 'parallels,' believing that it is better to wage a big fight for a small point than to allow ourselves to be so weakened, divided, and disintegrated that

we can put up only a small fight to a vital point.

"We field men have a big stake in this free enterprise system of ours, in the institution of life insurance, and in the accepted method of distribution through the American agency system. We believe in it not only because we earn our livelihood from it, but because it has proven itself time and time again to be everything it claims to be when disaster strikes the homes of our clients. Furthermore, we buy life insurance ourselves. Our families' future depend upon the fulfillment of the contracts. Our own independence wrapped up in the life insurance of our own. Our association, therefore, watches carefully the threats to the future of our business and speaks out against trends that will help to destroy it."

He urged that developments in the field of mass selling should be carefully watched lest sound underwriting principles be disregarded; the importance of section 213 of the New York insurance law, and the adoption of qualification laws for life salesmen.

### Ford-Griffin-Hay New G.A.s for Bankers National Life

Bankers National Life has appointed Ford-Griffin-Hay, Associates, as general agents at Baltimore.

G. Cecil Ford has for years been a leading producer. He attended the University of North Carolina. Mr. Ford is president of Baltimore Life Underwriters Assn. and was with the maritime service during the last war.

James A. Griffin, Jr., a graduate of Duke University, is a C.L.U. He has been prominent in life insurance circles.



G. C. Ford



J. A. Griffin, Jr.



E. T. Hay

and C.L.U. activities. During the war he was a training specialist for war production plants.

Everett T. Hay, a native of Canada, came to this country in 1929 and has been successful in production, specializing in business insurance for medium size organizations.

The three men were formerly with Connecticut Mutual.

### New Assistant to Dickey

Howard Austin has been appointed assistant on the staff of Commissioner Dickey of Oklahoma. The appointment follows the resignation of John E. Cammaro, who was called to report to Fort Sill for military service. He returns to service with the rank of captain.

Mr. Austin is a graduate of Oklahoma University law school. He will be in charge of A. & H. policy forms and claims.

Among A.L.C. headquarters members at its meeting were: Weber, Lillian Wille, Marcelle Payne, Marilyn Brandenburg, Mary Payne, Dorothy Seldin, Lorraine Alice Dykowski, Rita Goerscher, Ilya Allen, Betty Casey, Elizabeth Marian Bonner, Dorothy Walsh, Anne Johnston.



Richard Boissard, president of National Guardian, and F. W. Hubbell, president of Equitable of Iowa.

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Lima, Ohio



GEORGE H. SWEENEY  
Centre Hall, Pennsylvania

\* Quality Award Winners selected yearly by The National Association of Life Underwriters and the Life Insurance Agency Management Association.

Emphasizing Quality first throughout his long and successful underwriting career, General Agent V. E. Templeton of Lima, Ohio has kept pace with the growth and progress of The Ohio National for the past thirty-four years. Associated with the Geo. Wade Agency of Harrisburg, Pennsylvania since 1945, George H. Sweeney has made the most of his opportunities to become a successful career life underwriter.

**The OHIO NATIONAL**  
LIFE INSURANCE COMPANY, Cincinnati, Ohio



## Buy and Sell Plan Is Answer to Taxes

A properly drafted buy and sell agreement, funded by life insurance, is the answer of the average closely held small company to the combined pressure of the income and the estate tax, William Casey, former chairman of the board of editors Research Institute of American Life Insurance, told the M.D.R.T.

Any agreement set up to meet this problem, Mr. Casey said, "should fix and minimize the tax liability which has to be met, and the insurance should provide the funds to meet the liability and create a market and underpin the real value of the business equity."

"Under today's income tax rates, capital buying power must be built up a little at a time. The graduated rate brackets no longer permit salting away big chunks in any one year. This means that the process of building up a fund to retire business interests must necessarily be a long and slow one. Insurance buys time. If there are not enough years to accumulate the fund necessary to retire a business interest, it is forthcoming when needed in one big chunk. I know of no way, other than insurance funding, to bring that chunk into the financial picture on a tax free basis."

Mr. Casey told the underwriters that the practicing accountant and the corporate fiscal officer, treasurer or controller, are very important and frequently overlooked centers of influence in the development of business insurance. It is their job, he said, to advise and protect against unexpected liabilities and shrinkage in value. They are closest to the earnings statements and balance sheet figures to which a tax valuation formula would be applied. They can develop the size of the liability which would result from the death of a principal. They can ask how it would be met.

"And you will be helping each other to the main job and doing something of real and substantial significance for that institution, which is promised so much and given so little, which is so frequently handed a lollipop with one hand and slugged with the other, which is hurt first and most by the political gooders who profess such friendship to the small business."

At the annual conferment and dinner of the American College and American Society of C.L.U. at Washington last week, C.L.U. designations were awarded to 404 candidates, the largest class in the 23-year history of American College. Before a record audience of 590, more than 100 of the graduates received their diplomas in person. Diplomas of the others are to be awarded at ceremonies of the 69 local chapters of the society in cooperation with life underwriter associations.

## C.L.U. Conferment Held at Washington

Dr. David McCahan, dean of the college, presented the candidates and Dr. S. Huebner, president, conferred the designation and delivered the charge to the graduates.

A feature of the occasion was the unveiling of a portrait of Dr. Huebner. It was presented to the college by Howard Cammack, Aetna Life, Albany, new president of American Society, on behalf of the members, who subscribed to the portrait fund in honor of Dr. Huebner. Dr. Huebner is regarded as the father of the C.L.U. movement from its beginnings in 1913 to the realization of its final form in 1927.

Dr. Huebner responded with feeling and expressed especial gratification at the expression of mutual friendship and regard from the many who contributed throughout the nation. The portrait was accepted on behalf of American College by Julian S. Myrick, chairman of the board. It will be placed above the great fireplace in the entrance hall of the college and C.L.U. Society headquarters building at Philadelphia.

A memorial and silent toast to the memory of Walter A. Craig, State Mutual, Philadelphia, editor of the C.L.U. journal, who died Aug. 24, was presented by Harry Krueger, Northwestern Mutual, New York City, associate editor of the journal.

Carl M. Spero, independent, New York City, new vice-president of the society, presented an inscribed wrist watch to Frederick W. Floyd, now general agent of Life of Virginia at Philadelphia, who served as executive secretary of C.L.U. Society 1945-1949. The gift was from the directors in recognition of Mr. Floyd's voluntary service during the months after his resignation, pending the selection of a successor.

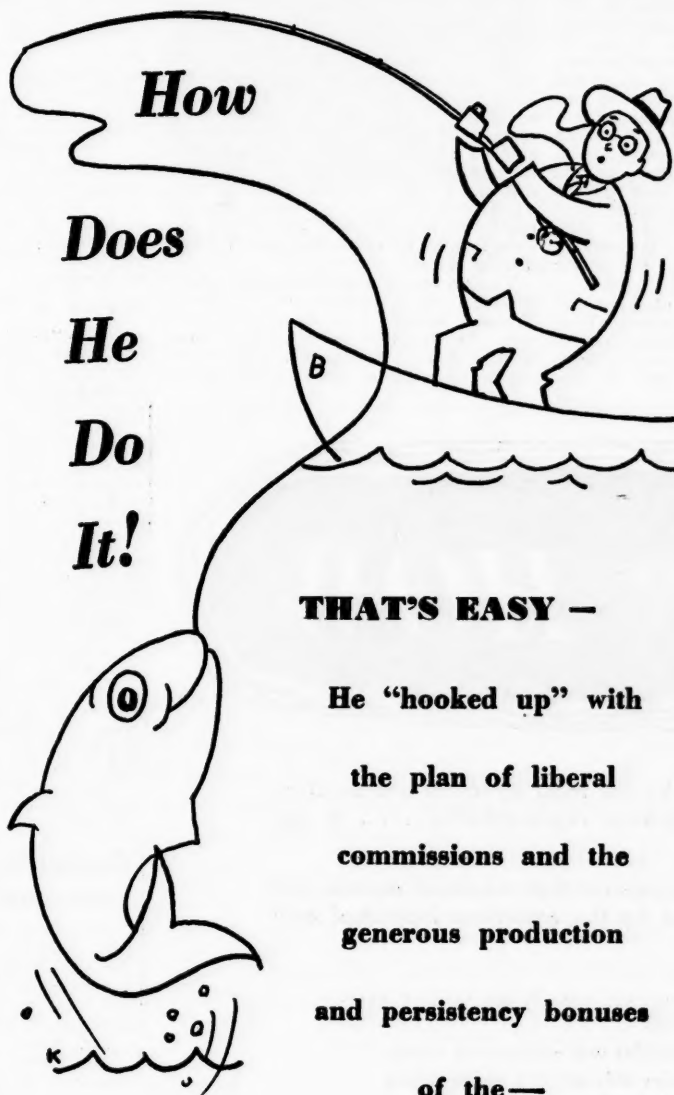
Karl K. Krogue, Business Men's Assurance, Spokane, retiring president of American Society, could not be present because of the illness of his wife. He was to be presented the traditional silver service tray in recognition of his services. James Elton Bragg, Guardian Life, New York, eulogized Mr. Krogue's administration and presented the tray to President Cammack, who received it formally and arranged for it to be sent to Mr. Krogue.

At a meeting of the American College trustees, Joseph H. Reese, secretary of the college, presented a leather bound book of color photographs of the new home of the American College to Dr. Huebner.

Edmund L. G. Zalinski, executive vice-president of N.A.L.U., and director of the L.U.T.C. educational program, assured the trustees that L.U.T.C. and C.L.U. implement each other in different spheres of training life agents.

Other speakers were President Paul F. Clark of John Hancock, Henry E. North, vice-president of Metropolitan Life, and J. Stanley Edwards, Denver, former president of the National association and long a trustee of the American College.

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Does  
He  
Do  
It!



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## SALES IDEAS OF THE WEEK

### Shows Saving in Buying Policy on Son, with His Wife as Owner-Beneficiary

A presentation on juvenile insurance that can be adapted to a grandfather-son-grandson situation has been developed by the Solomon Huber agency of Mutual Benefit Life in New York City for use when clients' estates are given their annual review or during other policyholder contacts.

In his presentation the agent tells the prospect "extraordinary benefits can be achieved under an arrangement calling for your purchase of a policy on the life of Walter which makes Mrs. Brown both owner and beneficiary. It has tax saving features in that the policy proceeds are excluded from your estate and they escape tax. The policy is not taxable in Walter's estate since he neither owns it nor pays premiums. Premium payments made by you, up to an amount not to exceed \$3,000 per year (may be \$6,000 under provisions of the 1948 revenue act) are considered non-taxable gifts of present interest to Mrs. Brown. Such gifts reduce the size of your estate, thus reducing the estate tax."

Other advantages of the plan are that "the policy may be turned over to Walter as a gift by Mrs. Brown, free of income tax to him, when he is able to handle premiums on his own. It also

serves as indemnification in the event of premature death."

The agent then outlines the general benefits that result from the purchase of the insurance.

#### Advantages to Buyer

The prospect is told "it requires merely one-half of the annual deposits you would be required to make for the same type of insurance on your life. The rate paid by Walter when he takes over annual deposits will be considerably lower than that required of his contemporaries who must wait until their own earnings begin. Possible uninsurability in the future is removed as a hazard. Cash values will have been established in Walter's policy in a substantial amount by the time his contemporaries begin a program of their own at greatly increased annual cost. Thrift and training in money management are encouraged. The policy can help furnish an office and aid in establishing credit."

The presentation continues with: "It is the ideal gift if made on the occasion of Walter's marriage or entry into practice. At that time Mrs. Brown would be the donor. Should the cash or replacement value of the policy be in ex-

cess of Mrs. Brown's allowable annual exclusion (or lifetime exemption) the insurance can be split into several policies so that the gift may be spread over several years. Mrs. Brown's will might in addition specifically bequeath the policy to Walter.

"No war clause can be imposed in the future on a policy issued without such a restriction.

#### Monetary Outlays

"The result of this early start at a low annual premium deposit counteracts the impact of increasing income taxes which might otherwise make impossible a purchase in this amount when Walter is older. Funds are also released for living expenses and other savings. Your premium as of age 50 is \$900. Walter's premium today at age 12 is \$450. The savings in future outlay for Walter are \$450. You are in the 50% tax bracket. You must earn \$1,800 to have \$900 available for premiums. When Walter earns his top \$1,800, he can easily pay \$450 and have \$450 left over to meet expenses.

"A guaranteed retirement fund is created automatically for Walter under annuity options contained in the policy. These options often return far in excess of what the equivalent amount of dollars would purchase in later years if a single payment at age 55, 60, or 65 were made.

#### Inflation Hedge

"An automatic hedge against inflation is created: Dear dollars and cheap dollars will be deposited during the premium-paying years and dear dollars and cheap dollars will come back during retirement years in monthly installments. Walter's dependents may be the recipients of monthly installments in the event of his death after marriage."

The agent may continue with: "May I say that my dad started me off when I was a youngster and I have appreciated the import of what he has done more and more as the years have gone by. Today I have a substantial income. Had my dad made any other gift to me which produces income, such as a bond, it would have less real value, because the income would be taxed on top of my present income. The accumulating values in my policy, however, are free from tax. This makes the gift of even greater value. Some day Walter is going to inherit from you or through his mother. This plan is an installment deposit on what you are going to do for him anyway."

### Venezuelan Millionaire Concentrates on Two Forms

Francisco Jose Salas, Pan-American Life, Caracas, Venezuela, who attended the M.D.R.T. meeting in Atlantic City, has qualified for the group for the second year by writing exclusively single endowment and 25-pay-life.

Mr. Salas, whose average policy is about \$7,000, travels over 10,000 miles a year in his country to meet his clients. Using car and airplane, he has a rigorous schedule of working by day and traveling by night.

Venezuela, which he says ranks next to the United States in oil production, and also is rich in iron ore, is enjoying a prosperity boom, undisturbed by high taxes. He says competition in the selling of life insurance is keen, but he thinks the demand for it will continue almost indefinitely. His customers, he adds, come from all walks of life.

#### Tells Korea Problem

"Korea's Effect on Underwriting" was the subject of an address by Wesley S. Bagby, before Life Insurance Managers Assn. of Los Angeles. He is manager of Pacific Mutual's policy issue department. He explained how the companies are selling up underwriting rules which will discourage speculative, "war scare" buying, yet will not curb the agent in his efforts to arrange adequate coverage for the applicant who may have a potential military hazard.

## POLICIES

### Ohio State Life Offers Two New Policies

Ohio State Life has introduced a new estate builder policy available from age 0 to 14. The estate builder is a low premium participating ordinary life policy. After age 6 months, and prior to the 21st birthday, the death benefit is \$1,000 (if issued at age six months or under the death benefit is \$250 the first policy year). At anniversary of policy nearest age 21, it automatically becomes \$5,000 and if death occurs thereafter, the full amount will be paid. All standard annual premiums are returned in case of death before policy anniversary nearest age 21. At age 21 the insured may elect to exchange the ordinary life policy for a reduced amount of endowment at age 60 or 65 for the same premium. Minimum policy is \$5,000 ultimate amount maximum, \$25,000.

A new total and permanent disability rider, available to males and self-supporting single women, provides \$10 month per \$1,000 to age 65 and \$5 month for life thereafter, except in case of endowments, when benefits stop at maturity. Disability must occur before age 55 for income or age 60 for waiver of premium. Minimum is \$20 a month maximum, \$200 a month.

Other changes made recently under ADR No 1 or 2 will be issued on special term policies when written in combination with permanent life insurance. Additional sickness indemnity has been made available in rider form with the insured savings plan; a new application form is used with two important changes—an aviation question and binding receipt for partial or entire payment of first premium; the non-medical part of the application has been revised and the initial premium receipt has been eliminated.

#### Introduces New Plans

Jefferson Standard Life is now issuing life paid-up at age 65 on both the participating and non-participating plans. Also introduced are additional family income riders providing \$15 and \$25 monthly per \$1,000 basis, and mortgage cancellation plans. Rates on family income and mortgage cancellation introduced previously are generally reduced. Other recent changes are: maximum amount of insurance issued is \$300,000, but not more than five times the limit of retention; restrictions on writing term insurance on lives of women eliminated; substantial ratings have been revised, with many reduced; non-medical limit has been increased.

#### New Capitol Life Policy

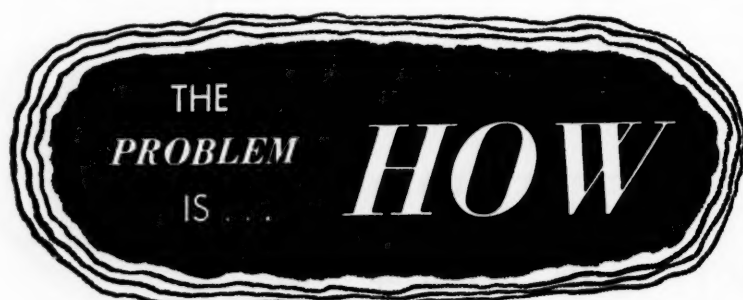
Capitol Life is now issuing a mortgage repayment policy which provides decreasing term insurance over a 10 or 20 year period. This insurance may be converted any time before age 65 to any life or endowment policy at a level amount not in excess of amount of insurance in force at date of such conversion. Minimum initial amount is \$5,000.

Capitol Life has been issuing a family income benefit rider providing for \$10 per month income for life of \$1,000 of the original amount of policy. Recently it was decided to extend the coverage to permit the withdrawal of units of income of \$15 or \$20 month per \$1,000 original face amount.

#### G.R.C. Names Westermann

George J. Westermann has been named tabulating supervisor for George Rogers Clark Mutual Casualty Pioneer Life.

He has been a statistician for Pioneer Life and its reinsurer, Alliance Life. He is one of the founders and a member of the Insurance Accounting Statistical Assn.



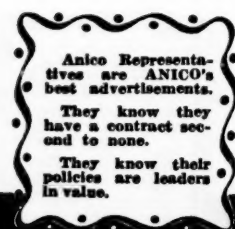
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ANICO recognizes that maximum success can be attained by the ambitious individual only if . . .

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## Mortgage Problems Increased by War Economy: Burnett

Intensified competition lies ahead for mortgage lenders, with both volume



T. S. Burnett

and yield constituting problems under the near-war-time economy, T. S. Burnett, vice-president of Pacific Mutual Life, told the Financial Section of A.L.C. "Good real estate will lose no reputation as a desirable source of investment during the war program," he said. "The only trouble is that there probably won't be enough to meet the demand for investment."

The probability is that lenders are going to have to look more to conventional type loans for mortgage volume, Mr. Burnett predicted. With the almost complete dependence heretofore on FHA and GI loans by numerous originating sources, "there are many in the business who do not know a mortgage loan from a valentine by conventional standards. This of itself suggests a potential source of unorthodox competition and troublesome conditions for the mortgage lending industry in the period ahead," he declared. Real estate will inevitably increase in value because people will buy it as a hedge against inflation, and because the cost of reproduction will mount and scarcity factors become operative. The meat of the mortgage lender's problem, Mr. Burnett opined, will be to determine which real estate properties are good security and most likely to remain so. The situation prevailing prior to world war II offers little guidance, he warned.

### Post War No Criterion

"We should be careful about drawing inferences from the last war. The stage is set differently today. Government lending will have a more complicated effect and will not necessarily bring increased profits. At the start of world war II business and real estate activity were below normal, the country had just emerged from a depression and building activity and rents were low. Today we are riding on the crest of a boom in housing and commercial properties, industrial plant and capacity are at an all-time high, and rents, with the exception of housing in those areas still under control, are much more favorable in relation to the accepted value of properties."

Constantly mounting taxes at least for the present generation, and the position taken in international affairs will be factors in the mortgage outlook, he said. He predicted that the higher cost of living will progressively depress both the rental and market value of larger residence properties; the automobile industry will contract, decreasing the demand for auto sales space and allied properties, so that rental reductions will follow; higher taxes will mean less savings accumulated; smaller future capital will lessen speculation in real estate; a large portion of public and private construction, except for war needs, will stop, reducing opportunity for mortgage and other investments; much unimproved property that would otherwise be developed will lie idle, and with a waiting period, be less valuable, while contrariwise, residential property which has social and address value will increase in value with the increased demand occasioned by curbed construction.

Industrial and warehouse properties will be much sought for, he said, particularly in the interior regions having water security value.

Good retail store property will command a premium with the lack of general investment opportunity. At the same time, sales volume will gravitate to the larger merchants and possibly make marginal some retail business property now regarded as desirable.

Good farm and ranch properties are showing increased strength at advancing prices.

### Safe Course Is to Go Slowly

Rentals and property values in smaller cities may depreciate through syphoning off of manpower into armed forces and war work in large communities.

While all these results appear likely, Mr. Burnett said the only safe course is to go slowly. It will take an intelligent management and mortgage policy for a company to hold its own in the next few years.

### New Mutual Fund Literature

Mutual fund dealers began this week to use new sales literature to conform with the Securities & Exchange Commission statement of policy in August. The deadline for the change in material was Oct. 1. New sales literature has been sent to National Assn. of Securities Dealers for screening. If any of the literature fails to meet the re-

quirements of SEC, in the opinion of N.A.S.D., it will have to be destroyed and the funds will start all over again the task of preparing new material.

The new regulations, reported previously, prohibit, among other things, comparisons which have been regarded by life insurance men as giving the prospect the idea that earnings were guaranteed.



Dr. Edward G. Simmons, executive vice-president Pan-American Life, and President James A. McLain of Guardian Life.

## Mutual Trust Life Names Fleming at White Plains

Peter B. Fleming, for the past two years associate general agent with Samuel D. Rosan for Continental Assurance at New York City, has been appointed general agent by Mutual Trust Life at White Plains. The agency will also have a New York City branch at 30 Church street.

Mr. Fleming entered the business with Equitable Society as an agent in 1933 and a year later became assistant manager of the Dunsmore agency.

In 1940 he became manager for Continental American Life and remained in that position until 1948.

A graduate of Williams College, Mr. Fleming has been active in charity, civic and community groups, and in supervisors and managers associations. He has a wide brokerage following in the New York area.

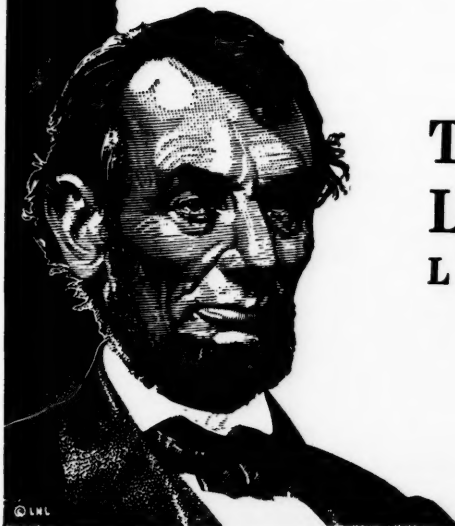


P. B. Fleming

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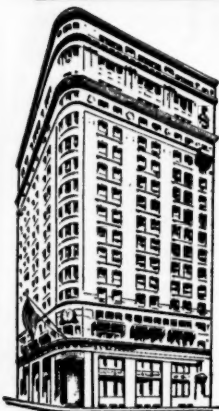
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## 44 STATE LEGISLATORS IN '51

Law Committee Asks Special Attorney  
at State Level; Hallett at Federal

The prospect of 44 state legislatures in session next year and the needs of 44 state associations for some national direction was responsible for a resolution passed by the committee on state law and legislation calling upon N.A.L.U. to hire an attorney to concentrate on state legislative problems.

It was indicated by expressions from a number of members of the giant committee that such a man was envisioned as an assistant to James B. Hallett, general counsel. Mr. Hallett would devote most of his time to federal legislation and the new man would concentrate on the state level.

The idea was not developed in the open by any members of the committee that N.A.L.U. establish a Washington office with Mr. Hallett in charge, but this is a plan that is understood to have gained favor with the N.A.L.U. hierarchy. Mr. Hallett, as all attest, is frightfully overworked. He is the only attorney at headquarters. His desk is swamped with inquiries and projects, yet at the same time he is forced to spend 3/5 of his time out of town, most of this in Washington.

## Experience Would Pay Off

At Mr. Hallett's insistence, legislative procedure on the state level has been standardized. Headquarters has sent out many bulletins, much literature and many helpful tips on legislative procedures. Still there was much testimony presented to the effect that the greatest help the local state legislation committees could have would be a man from headquarters who could be in the state capitals at the crucial times with the proper sales talk and the experience born from successful legislative battles in other states.

The state law committee thus strengthened a midyear resolution calling for more help from New York to the state law committees.

The need for a roving line backer from New York was developed in connection with the model agent's qualification bill which requires some skillful selling in the states.

As the co-chairman of the committee, W. Ray Moss, Connecticut Mutual, Louisville, put it, the only alternative to the assignment of a new staff member, would be the assignment of certain members experienced in legislation to be legislative "fathers" in a three-state area and spend part of the legislative season in neighboring states.

The committee voted to establish a subcommittee to study the planning of a resolution to be presented at some later date condemning the introduction of state cash sickness bills. On the spot, Mr. Ross appointed to the subcommittee four men who have been instrumental in fighting cash sickness bills in their home states. Chairman is John G. Khouri, Massachusetts, and members are Robert R. Reno, Illinois; Howard C. Ries, Washington, and Homer Trantham, secretary-counsel of the Ohio association.

A motion was introduced by Oren D. Pritchard, Union Central, Indiana-

polis, to reaffirm an earlier resolution calling for creation of a committee N.A.L.U. to study state supervision pension trusts.

Mr. Hallett opened the meeting describing his participation for N.A.L.U. in an all-industry committee formed to advise National Assn. of Insurance Commissioners on the licensing agents. The general counsel reported that on many points in the all-industry legislation he had found himself in the minority and often exclusively in the minority on a committee which included members from every branch of the insurance business. He explained that this is a drafting committee which is scheduled to report to the commissioners in Los Angeles in December.

## Favor Temporary License

On the credit side, Mr. Hallett said that there was only one fellow on the committee who opposed a written examination, the representative of a fraternal society. There is unanimity of the desire for continuous licenses and temporary licenses for next of kin. The all-industry committee voted 12 to 1 in favor of temporary license, N.A.L.U. approving them only in the case of delinquent agents. All were agreed that there should be separate licenses for the different lines of insurance. There was total agreement that all persons selling insurance should be required to be licensed and that provisions for non-resident as well as resident licensing had to be made.

Chairman Moss commented that the state law and legislation committee has been able to sell the model agent qualification bill in seven states last year. It was found that where the lack of convincing failed it was because of lack of support of the insurance commissioner.

Mr. Hallett declared that N.A.L.U. is probably represented on the all-industry licensing committee about 10 years too late. Representation on the model bill committee by N.A.L.U. should insure that the final recommended product protects the life insurance business and that a friendly reception can be expected by commissioners in states where N.A.L.U. people are trying to pass through model legislation.

In response to questioning on the point why N.A.L.U. is a party to the temporary licensing of debit agents, Mr. Moss explained that no support from the industrial companies, particularly those operating in the south could be expected for the N.A.L.U. model bill unless this allowance was made. He reported that a meeting with life insurers conference had confirmed that. Mr. Hallett explained that this compromise if a debit man actually collecting he has 90 days in which to take and pass the licensing exam.

Mr. Pritchard commented that seemed to him this concession to debit companies weakened the progress in which N.A.L.U. has participated to largely erase the difference



on between the debit agent and the ordinary agent. He explained that in Indiana any man can collect premiums without a license, but can not sell.

Mr. Moss reiterated that the companies exert a very powerful influence on many legislatures. He was asked whether the model bill leaves the content of the licensing examination to the discretion of the commissioner of the state. Mr. Moss replied in the affirmative. He reported that there has not been much difference in the content of examinations from state to state in states where the N.A.L.U. model bill or its equivalent has been passed. He reported that in Kentucky where the model bill was recently successfully passed, the governor was only too happy to have the assistance of the life insurance agents in drawing up the questions. Most state departments do not have the personnel to devote to writing up examination questions, he commented.

Before adjournment, the committee endorsed a previous resolution asking that N.A.L.U. earmark some specific funds for use in the research of the state law and legislation committee.

#### Dineen at Rally on Coast

The San Francisco and Oakland managers associations will hold a joint dinner meeting Oct. 10 at Oakland, at which Robert E. Dineen, new vice-president of Northwestern Mutual Life will be the principal speaker. Attending will be Commissioner Downey of California and Seth B. Thompson, agency vice-president of West Coast Life, who is former commissioner of Oregon. Carl Martin and Bernard T. Harper, presidents of the San Francisco and Oakland associations, respectively, will be the hosts.

#### Zone 4 Doings

At the zone 4 meeting of commissioners at Indianapolis, some progress was made on the project to bring about uniform filing of rates and forms. Representatives of the insurance business told something of their problems and the whole matter will be given further study. The H. & A. committee started some work on uniform H. & A. forms. The group had many enjoyable diversions during the week including a party in Brown county as guests of Dudley Allahu of American States and a long week-end at South Bend including the Notre Dame-North Carolina game as hosts of Emmco.

#### Discusses Life Company Stocks

Discussing the merits of insurance stocks under the prudent man rule for trust funds, Vinton C. Johnson, vice-president of First Boston Corp., told the Society of Security Analysts of New York at a luncheon there that while the supply of life insurance company stocks is not great, several have a very good market. The yields on these stocks are much lower generally than other insurance stocks but in recent years life companies have demonstrated exceptional growth and earning power. He suggested looking at are Connecticut General, Lincoln National, Continental Assurance, Monumental Life, and Aetna Life and Travelers.

#### Continue State Group for Year

HARTFORD — State employees inducted into military service may continue their group life insurance for one year, with the state keeping up its share of the payments, Comptroller Hatcher has announced. The group life plan for state employees is based on their salary ranges. Workers earning less than \$2,000 a year may buy \$1,000 policies for 60

cents a month. Workers earning more than \$2,000 may buy \$2,000 policies for \$1.20 a month. The rest of the cost of the insurance, which is carried by various private companies, is borne by the state.

#### NO ACTION YET

### Life Committee Receives N.A.I.C. War Clause Report

The life committee of the National Assn. of Life Insurance Commissioners held a meeting in Chicago Monday. The report of the war clause subcommittee, headed by Harrington of Massachusetts, which was published following the subcommittee's recent meeting in New York City, was received. It appeared unlikely that any action would be taken on it, barring a more widespread national emergency, before the N.A.I.C. winter meeting in December.

#### Opens New Regional Office

Prudential has opened a new regional office in the Reynolds Arcade building, Rochester, N. Y., as part of its new decentralization plan. Leslie C. Crater will head the new office.

#### Anderson to South Bend

Charles R. Anderson of Huntington, W. Va., has been named assistant manager at South Bend, Ind., of Metropolitan Life. He has been vice-president of Huntington Life Underwriters Assn.

John Hancock Mutual Life is expanding its armed forces service bureau under Assistant Secretary Joseph Lovegren to handle premium payment problems for policyholders entering the armed services. Information is distributed to policyholders by mail or by personal interview. Almost 100% of the policyholders in the armed forces pay their premiums on a monthly allotment basis. The bureau arranges the payment details. As of August the company was receiving 3,010 individual allotment checks for \$41,000 in payment of premiums on approximately 10,000 policies.

Abraham Concool has joined the Anthony Musalo agency of Maccabees at Brooklyn where he will serve as counsel to the estate analysis department. Mr. Concool, an army veteran, is an attorney with a background in insurance and estate analysis practice.

Grant J. Nault, general agent of Old Line Life at Fond du Lac, Wis., has opened a branch at Appleton, Wis.

S. G. Johnson, general agent of Massachusetts Mutual at Madison, Wis., has appointed William Q. Murphy as supervisor. Mr. Murphy attended University of Wisconsin and served in the South Pacific.

Institute of Life Insurance has elected as members Central Life of Iowa; State Farm Life, and Wisconsin National Life.

The membership stands now at 163.

Manufacturers Life has appointed Ed V. Linsensbarger, brokerage manager at Los Angeles. From 1935 to 1942 Mr. Linsensbarger was with Occidental Life at Los Angeles, as brokerage manager. In 1947 he became brokerage manager for John Hancock Life in Los Angeles.



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Reserve Life's non-medical limits have been increased to \$7,500 from ages 0 to 40; and to \$5,000 from ages 40 to 45 on all plans of insurance except five-, ten-, and fifteen-year term.

This is in keeping with the times, and it reflects the spirit and progressiveness of our modern underwriting department.

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**RESERVE LIFE  
INSURANCE COMPANY**  
**HOME OFFICE: DALLAS, TEXAS**

## Not Ready for Planning Fee

(CONTINUED FROM PAGE 2)

lead in encouraging such business.

Stefan Hansen, group actuary, Great-West Life, reported an instance where one union threatened to strike if the company did not give them an insured plan even though another offered them seemed, on the surface, more attractive. At the same time he mentioned that if predictions of a 120-year life span become an actuality in the reasonably near future all uninsured benefit plans would become insolvent, and only the insured would prevail.

### Wartime Control Effect

Ron Stever, Equitable, Los Angeles, past chairman of the M.D.R.T., said that he had been conferring in Washington on the effect wartime controls would have on pensions. Under present regulatory machinery, he explained, such plans could be frozen, but added that governmental officials had given him to understand that the law would be interpreted so that labor both could

be mobile (something which would not be so easy under a tight freezing of pension plans) and that there would not be inequities between industries and between sections of the country.

David Marks, Jr., New England Mutual, New York, reported that his company is very active in smaller insured plans. He said that it marks the first time that a major company has used the deposit administration with guarantee of interest and premium. He added that there was enough business in the employee benefit field both for insurance and trust companies and that the two should not conflict. He expressed the belief that there were types of business better suited to trust companies than insurers, and vice versa. George W. Stewart, Penn Mutual, Pittsburgh, was chairman of the group.

The subject of likely prospects was discussed at the session on business insurance. Stanley E. Martin, State Mutual, Dallas, said that it should be advantageous to work in a relatively small field for this type of business, and to concentrate on clients who have already purchased private insurance.

Mentioning the sales advantages, David Marx, Jr., Massachusetts Mutual, Atlanta, said that the average man will more readily write a check from his

business check book than his personal one.

A. Jack Nussbaum, Massachusetts Mutual, Milwaukee, said that writing of business insurance is not so complex.

Other delegates developed the thought that any prosperous businessman should be a good client for this insurance. He would not be prosperous, it was further explained, if he did not genuinely love his business—and because he does he most likely will be receptive to the policy idea.

## Announce Plans for Institute of Home Office Underwriters

Final plans for the annual meeting of Institute of Home Office Underwriters at the Fontenelle Hotel, Omaha, Nov. 1-3, have been announced by its president, William H. Neely, vice-president and secretary of Southern Farm Bureau Life. John T. Acree, Jr., president Lincoln Income Life, will be general chairman. More than 425 are expected to attend. Membership includes 207 companies, domiciled in 40 states of the U. S. and Canada.

The program for the first session Nov. 1 starts with address of welcome by George J. Cleary, president United Benefit Life, and presidential address by Mr. Neely. Eugene M. Thoré, general counsel, Life Insurance Assn. of America, will speak on "The Risks of Federal Encroachment" and reports will be given by W. H. Harrison, Security Mutual, secretary; N. M. Longworth, United Benefit, membership committee; W. P. Underwood, Monarch Life, reading and reference; Ray A. Burke, North American Reassurance, underwriting forms; W. K. Fritz, Capitol Life, educational, and Ray E. Button, Republic National Life, publicity director.

At noon officers, members of the executive committee and past presidents will be hosts to representatives of the new member companies admitted during the past year at a get-together luncheon.

The afternoon session will be devoted to an open forum panel with C. L. O'Brien, Minnesota Mutual, as moderator. Participants include: Dr. J. P. Donelan, Guarantee Mutual Life; Dr. J. F. Lovejoy, United Life; R. B. Caplinger, Southland Life; T. W. Reed, Continental American; Grady H. Hipp, Liberty Life, and J. E. Morrison, Great-West Life.

Companies of Lincoln and Omaha will be hosts at an informal reception the evening of Nov. 1.

The morning session the second day will be in charge of Mr. Longworth. Dr. J. W. Johnson, Jr., Interstate Life & Accident, will speak on "The De-compensated Personality as an Insurance Risk" and C. E. Carlson, Continental Assurance, on "The Inevitable Reissue." The session will close with the election of officers.

The industrial session Thursday afternoon is in charge of J. H. B. Peay, Jr., Life of Virginia. Martin B. Williams, executive director Life Insurers Conference, Richmond, will speak on "A Debit Is a Credit." R. A. von Almen, Lin-

coln Income Life, will be chairman of the case clinic and open forum.

The third day will open with the daily case clinic at which Charles Harris, State Mutual Life, will pres-

## Mutual Life Appointees



Clayne Robison



W. S. Peterson

Three new managers of Mutual Life, whose appointments were announced last week, have all been on the home office training staff. Bill L. Rohlfis was named to the newly created Los Angeles agency, Clayne Robison to the new Boise agency and Willis S. Peterson to the Salt Lake City agency.



Bill L. Rohlfis

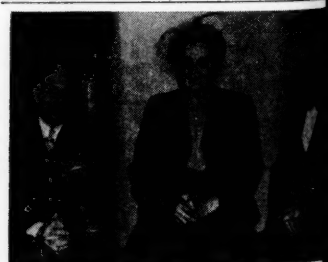
## N. D. Federation Meeting

The program has been completed for the annual meeting of Insurance Federation of North Dakota at Bismarck, Oct. 26-27.

The first morning there will be a breakfast and A. & H. forum. Joe Dickman, agency vice-president of Provident Life of Bismarck, will speak on the age qualification bill; Wesley J. A. Jones, executive secretary of International Assn. of H. & A. Underwriters, on general legislation and controls; R. S. Warner, vice-president United Benefit Life, on the principles of good underwriting and Carl Ernst of North American Life & Casualty, St. Paul, who is vice-president of I.A.A.&H.U., on sales promotion. Mayor Kleppe will extend greetings at the luncheon and the afternoon speakers will be Wesley Jones and C. Hawkins of St. Paul F. & M. T. there will be a fire and casualty forum. At a cocktail party and dinner, U. S. Senator Karl Mundt is giving the address.

There will be a business meeting the next morning and a talk by Otto Christenson, executive vice-president Minnesota Employers Assn., on "Industrial Mobilization and Your Business." The president-elect will be introduced at the luncheon and Carl Ernst will give the closing message.

Arvid Wiklund of Bismarck is president.



Seated in the foyer of the Statler in New York City are the newly elected officers of the medical section of N.F.C. From left they are Dr. L. E. Haentzschel, president Aid Assn. for Lutherans; Dr. Olga St. 1st vice-president Woodmen Circle; Dr. Gerald J. Lunz, 2nd vice-president Knights of Columbus.



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BUSINESS MEN'S ASSURANCE COMPANY



## U.S. Act Still Needs Major Changes

(CONTINUED FROM PAGE 1)

said, is to have all gainfully occupied, whether engaged in private or government employment or self employed, automatically covered under the basic insurance plan. Then, if a local, state or federal government, as employer, wishes to supplement those benefits for employees, it should adopt a supplementary plan as many private employers have done.

### Subjects Present Aged

Even if O.A.S.I. coverage were extended to everyone now in the labor force there would still be the immediate pressing problem of providing benefits to elderly persons no longer active in the labor force and with little or no resources who never had an opportunity to acquire or retain insurance status under O.A.S.I. They constitute the bulk of the actual and potential clientele of federally-aided old age assistance plans.

Aged beneficiaries of O.A.S.I., retired workers, their wives, widows of deceased workers, and some surviving parents, now constitute 18% of the population age 65 or over. This compares with 24% of the population getting old age assistance. In July, 1951, after six months of operation under the new law, the percentage of old persons receiving O.A.S.I. is not expected to exceed 30%. Five years the proportion will not be much greater, perhaps about one third the then aged population. Of course, said, many who would be eligible if they retired will not be drawing benefits because they continue to work. Yet, even with a generous allowance as the number who could draw social security if they ceased work, there will still be a substantial proportion, perhaps one-third, of our old people without social insurance protection in 1955," stated.

### System Immature

The proportion of elderly receiving benefits will climb to 80% by the year 1980 under the present law. If it reaches "maturity" by then, roughly it will be about 40% mature in 1955, two-thirds to 70% mature in 1970, 80% mature in 1980, and 90% mature in 1990. "For many years to come there will be a substantial element of 'immaturity' about the O.A.S.I. system—element which it is important to minimize if social insurance is adequately to discharge its proper role in meeting the needs of an aged population that is endlessly expanding, not only absolutely but in relation to the total population, and, even more significant, in relation to its actively producing members."

Mr. Hohaus suggested the elimination of present provisions, whereby some employees of state and federal governments, and of charitable institutions, may come under the law on an elective basis. This could be replaced by the principle of mandatory coverage for basic benefits to be supplemented as desired through employer-employee initiative. This could be done, he said, without any loss of all-around protection, and with a definite gain in many respects. The main obstacle here, he said, appears to be the fearful attitude of groups in question of these fears should be considered in making the revision.

### Financing Problems

Major problems arise in the financing of the benefits. These complexities increase with the extent to which the coverage of the system falls short of completeness and remains immature because it excludes initially a great bulk of those already past retirement age. It creates all the problems in connection with the sources of funds, the scale of contribution rates, and the accumulation and disposition of reserves. In answer, Mr. Hohaus believes, is in concept of a "mature" system. This system which is actually carrying the beneficiary burden commensurate with

the true dependency problem of the nation. The only problem then is how to find the money now that is needed to meet the benefits due. The other problems disappear. Only relatively minor accumulations would be needed as a buffer against short term fluctuations and contingencies. The system would be on a pay-as-you-go basis. A full load currently assumed would have to be currently financed. Any long range increase in annual outgo would result from such factors as population growth, increased longevity, or the benefit formula, and not from any current failure to achieve maturity.

This would avoid the dependence upon long range cost estimates which are largely based on hazardous speculation as to economic and demographic conditions far in the future and carry no real conviction as to their value as cost indicators. Under pay-as-you-go these forecasts would have chiefly a speculative interest.

## Plan 2-Day Neb. Insurance Course

University of Nebraska's college of business administration and the Insurance Federation of Nebraska will jointly sponsor a two-day insurance institute at the university in Lincoln Nov. 17-18.

It is designed to attract attendance from the student body as well as from the insurance industry.

The first day will include speakers of national prominence in both the property and life fields, with a series of clinics conducted by the speakers the following morning.

"The Insurance Buyer Looks Ahead" will be handled by Russell Gallagher, insurance manager of the Philco Corp., and Prof. Ralph Blanchard of Columbia University.

### Strong Speakers List

"The Underwriter Faces the Challenge of Changing Needs" will be covered by H. P. Stellwagen, executive vice-president Indemnity of North America, and Dudley Dowell, vice-president New York Life. Speaking on "Insurance—a Professional Career," will be John Breen, vice-president and educational director Lumbermen's Mutual Casualty, and H. G. Kenagy, public relations vice-president Mutual Benefit Life.

A panel on social security will be headed by Dr. C. A. Kulp, University of Pennsylvania, and W. R. Williamson, consulting actuary, Washington, D. C., formerly actuarial consultant of social security administration.

Attendance at the institute will be limited to 300. The registration fee of \$10 will include, in addition to a complete copy of the proceedings, tickets to both the luncheon and banquet to be held on Nov. 17.

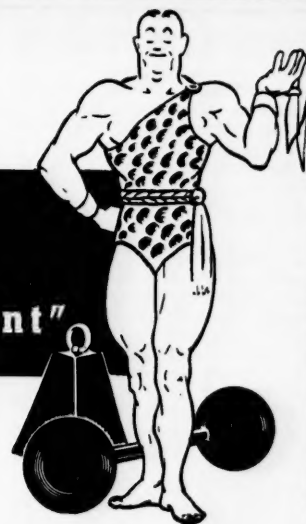
### Harrison Misidentified

William H. Harrison, secretary of the underwriting division of Security Mutual Life of Binghamton, is the chairman of the joint education and examination committee of the Home Office Life Underwriters Assn. and the Institute of Home Office Underwriters, and not William Harrison of New York Life, as stated in the Sept. 22 issue.

### Three More in Institute

The Institute of Life Insurance at a directors' meeting at Chicago, Wednesday elected as members Central Life of Des Moines; State Farm Life, and Wisconsin National. Membership now totals 163.

## STRONG... Without "Over Development"



The earning capacity of a life insurance company is an important part of the picture. It is also a problem in today's low-interest market. That's why, as any investment man will tell you, American United is in an ideal situation.

American United is big enough to be a factor in the investment market (assets over 80 million dollars)—big enough to take advantage of sound opportunities—big enough to place its eggs in many baskets. Yet, American United is spared the headaches of having to invest huge sums, things being what they are today.

Being big enough is important. Being small enough never to lose the personal touch is important, too.



## AMERICAN UNITED LIFE INSURANCE COMPANY

HOME OFFICE, FALL CREEK PARKWAY AT MERIDIAN ST.

INDIANAPOLIS, INDIANA

## Participating and Non-Participating Contracts

GENERAL  
AGENCY  
OPPORTUNITIES



BROKERAGE  
BUSINESS  
ACCEPTED

## GIRARD LIFE Insurance Company

DALLAS, TEXAS

Opposite Independence Hall  
PHILADELPHIA, PA.

## M.D.R.T. HAS ANNUAL CONFAB

(CONTINUED FROM PAGE 1)

most and principal proponents of private thrift, they must be vigilant to make certain they will avoid "having their minds fertilized by the promises of false prophets who advocate an economic Utopia only to find that these same advocates will later rob them of the fruits of their endeavors," Mr. Benson asserted.

### Willingness of Private Insurers

The threat of socialized medicine "would be greatly lessened, if not entirely eliminated, by the demonstrated ability and willingness of private insurers to reasonably and adequately meet the needs of the public for the various forms of sickness and accident coverage," stated Charles J. Zimmerman, associate managing director L.I.A.M.A.

He told the group that if it agreed with his philosophy, "your influence can do much toward encouraging life insurance companies in particular to fill the vacuum which still exists in this field. If private insurers do not fill this vacuum, certainly we have no sound grounds to raise our voices in opposition to the efforts of the government to solve this problem."

Mr. Zimmerman also offered several other topics for consideration by the organization's membership, including the problem of insuring servicemen should a third world war come.

"The experience in both world war I and II of the marine and property insurers may give us a clue to the solution of the problems which face life insurance," he said. "Possibly an all-embracing reinsurance corporation should be created by the life insurance companies of the United States and Canada with a percentage of premiums, of premium income, paid into such a reinsurance corporation. More probably such a privately constructed reinsurance corporation would have to be further re-insured by a federal life-loss reinsurance corporation. I realize that there are dangers in this as well. One of these dangers is that of bringing federal government directly into the field of private insurance."

Development of insight into problems of prospects is essential to the success of the life salesman, according to Wilbert E. Gehman, New England Mutual Life, Philadelphia.

The failure to use insight, he con-

tinued, reflects the "no prospecting" attitude of many of today's salesmen. He told the story of the sea-gulls who hadn't fished for so long a time, that they forgot how to fish when it was necessary for their survival, and thus died.

"Aren't you glad we find it necessary to fish for prospects in life insurance?" he asked. "By fishing for them and for their needs, and helping solve their problems, we are rendering a service very valuable to our country. In these days, too many people are satisfied to hang around the United States government fishnets of the welfare state, discouraging the independence and free enterprise on which our great America was founded."

"If we aren't careful, even we as life insurance underwriters may be like the sea-gulls, gradually slipping into the something-for-nothing lure."

The two party system in this country has "critically deteriorated" and as a result "a vast federal political machine is taking over," Raymond Moley, contributing editor of Newsweek, asserted in his address.

He said that the line against this "genuine threat to free institutions" has been partly and temporarily held by a coalition in Congress between conservatives of both parties, but warned that this coalition cannot be depended upon for permanent protection.

As a means for holding the line against socialism, Mr. Moley suggested the development, in many congressional districts, communities and states, of local groups, political, but not necessarily partisan, to work for the nomination of better congressmen and senators.

"In 1948, nearly 50 million people refused to vote. There is the harvest, if there are people who care enough for their country's welfare to gather it."

The people to help harvest the vote, Mr. Moley said, are in the ranks of American salesmen. "Why," he asked, "if these salesmen can sell their soap

and jewelry and insurance, can they sell good government? They can if they will. And they must or we shall likewise perish."

## 225 at Security Mutual Convention

The 55th anniversary convention of Security Mutual Life at Lincoln Neb. was attended by 225 delegates and their wives.

The first day the general assembly elected Art Oelschlager of Kearney, Neb., president; Charles Randolph Edmond, Okla., vice-president; J. Smeester of Denver, secretary. Joseph F. Sewell, manager of the local security office, spoke.

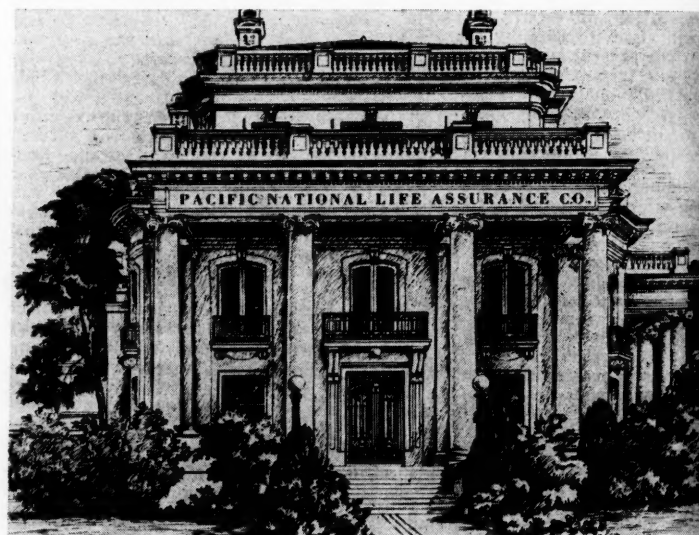
In the Leaders Club the president's cup went to G. H. Sneltsjes, Marshall Minn.; the vice-president's cup to J. Mason, Hugoton, Kan., and the secretary plaque to Ted Gray, Jr., McCook, Neb.

On the second day there was a program on prospecting with C. H. Cordon presenting a summary of the findings. Others speaking included H. A. Dillman, Frank Benson and Mr. Smeester. Sneltsjes was moderator.

Special attention was given to social security laws and problems underwriting in connection with military service at the third morning session. D. I. Parker of Lincoln, vice-president and actuary, led this discussion. R. Gentzler presided with M. A. Hy W. L. Packard and E. A. Frerichs assisting. Norman Hoelk, Ransome and M. S. Vencill participated in discussion period.

Charles Gish of Omaha, director of agencies of Guarantee Mutual Life, spoke at the third afternoon session. The convention closed with a banquet.

## New Home Office of Pacific National



Pacific National Life of Salt Lake City on Oct. 9 will observe its 22nd anniversary and have the official opening



R. H. Peterson



K. W. Cring

of its new home office building at 411 East South Temple street.

The new building more than doubles

present floor space and has been initiated by growth during the past years. It was built originally for S. Bamberger, a former governor of Utah. At the present rate of growth, the headquarters will provide sufficient space for Pacific National for the five years. Plans are already formulated to add wings to the building when the need for more arises.

The year 1949 was the largest company's history, and for 1950 according to Kenneth W. Cring, president and superintendent of sales, the figures are already 14% higher. Ray H. Peterson, president, announced guests from all over the state are expected at the opening to be held Oct. 9.

Pacific National operates in 10 foreign states and Hawaii.

**Just a Minute, Please!**

**Agency Builders Needed**

RAYMOND F. LOW, President

**AMERICAN RESERVE LIFE**  
Insurance Company  
OMAHA

**LIFE — ACCIDENT — HEALTH — HOSPITALIZATION**

## THE COUNTRY'S MOST FRIENDLY COMPANY SEEKS AGENCY MANAGER FOR KANSAS CITY, MO.

- Modern and attractive agent's and general agent's contracts to those looking for a permanent connection.
- Complete line of Life Insurance policy contracts from birth to age 65 with full death benefit from age 0 on juvenile policy contracts.
- Complete line of Accident and Health policy contracts with lifetime benefits.
- Individual Family Hospitalization contracts with surgical, medical and nurse benefits.
- Complete substandard facilities.
- Educational program for field men.

### Strong, Progressive Company

Older than 85% of all legal reserve life insurance companies

## NORTH AMERICAN LIFE INSURANCE COMPANY OF CHICAGO

C. G. Ashbrook, Vice President — Director of Agencies

**NORTH AMERICAN BUILDING, CHICAGO 3, ILLINOIS**



# ACCIDENT AND HEALTH

## H. & A. Conference Plans Expanded Regional and Committee Gatherings

H. & A. Underwriters Conference has planned an expanded program of meetings covering group, hospital and medical, as well as underwriting problems and developments. The sessions will be carried out through a series of regional and special topical meetings.

The first of five regional meetings is scheduled for Columbus, Oct. 23, while others will be held at Minneapolis, Nov. 20; Philadelphia, Dec. 4; Kansas City, Feb. 26, and Dallas, Feb. 28.

These gatherings are informal round table discussions. Because of their proximity to the home offices of member companies in the territories, they have proven to be valuable for home office underwriters and claim men.

The underwriting committee has scheduled a forum for Oct. 31 at the Hotel Fontenelle, Omaha. J. M. Wickman, North American Life & Casualty, is chairman of the underwriting committee.

A three-day meeting will be held at Chicago, Feb. 5-7 on hospital, medical and group developments. The first day will be devoted to discussions on hospital and medical, followed by the annual group meeting which will be a two-day affair.

The annual meeting of the conference is scheduled for Detroit, May 14-16. This will be the 50th anniversary convention and Detroit is the city in which the conference was organized. P. G. Korn, National Casualty, is chairman of the convention committee.

## Plan Sales Congresses in Four Wisconsin Key Cities

Wisconsin Assn. of A. & H. Underwriters will sponsor a series of four sales congresses in key cities, instead of the general state convention previously announced. Green Bay, originally scheduled as convention city, will have the first congress Nov. 13; Eau Claire, Nov. 14; La Crosse, Nov. 15, and Madison, Nov. 16, according to Leo E. Packard, Continental Casualty, Milwaukee, state secretary.

Francis W. Quade, Massachusetts Protective, Wassau, state president, has announced the main speakers at each meeting will be Charles B. Stumpf, Illinois Mutual Casualty, Madison, past international president; Alfred K. Perego, Wisconsin National Life, Milwaukee, international director; Carl A. Ernst, North American Life & Casualty, St. Paul, international vice-president, and Stanley Olyniec, Milwaukee, Washington National, past president Milwaukee association.

The annual meeting of the state association will be held in connection with the Madison congress.

## Withdraws from Athlete Field After Bad Results

The Newark News publishes a letter from Joseph J. Sear, vice-president of Progressive Life of Red Bank, N. J., which states that company's position on high school athletic insurance. There was a news item in the Newark News dealing with a statement by C. W. Bollinger, insurance consultant of the New Jersey State Interscholastic Athletic Assn. This, Mr. Sear wrote, "might give the public an erroneous opinion of the financial stability of the company."

Mr. Bollinger had been quoted as saying that the company did not have enough money to pay administrative costs of the athletic insurance coverage during the last school year. This was intended to show that the insurance was not profitable, not that the company's financial position was affected.

Progressive Life underwrote accident coverage on high school athletes for 1948-49 and 1949-50, but experience showed that the premium was inadequate and the company suffered a loss on this particular coverage. Consequently they decided not to write the insurance. The financial position of the company has not been affected by the losses on the sale of that particular coverage, Mr. Sear stated.

According to the Newark News story, many boards of education have found accident insurance on football players too heavy an expense and have not renewed their \$9.50 premium with American Casualty. Progressive Life charged \$6.50 in 1949-50.

## Hospital Admissions Plan Sought at Denver

Colorado A. & H. Underwriters Assn. and Denver Claim Men's Assn. held a joint meeting at Denver in an effort to set up a standardization of claim procedure with hospitals and doctors patterned after the Chicago and New York plan. This is intended for both group and commercial forms of policy. B. J. Bursmeyer, manager of Massachusetts Protective, and David Stein, Pacific Mutual, are co-chairmen of the committee

that will work with hospitals and doctors for improved relations with the A. & H. business.

The Colorado people have decided to try to get their individual companies to approve the Chicago plan as basis for negotiation with the hospitals.

## Up Mo. Blue Cross Rates

ST. LOUIS—Group Hospital Service, which handles the Blue Cross plan in Missouri and adjacent areas in southern Illinois, has increased rates and benefits, effective Jan. 1, 1951.

Monthly dues of an individual member, without maternity benefits, will be \$1.25 instead of \$1. Complete family protection, now \$2 a month, will be raised to \$2.65, while charges for sponsored members, presently \$1, will be increased to \$1.25, with no maternity benefits allowed.

Two new classifications are to be set up. Under one, dues for a person with maternity benefits will be increased from \$1 to \$2.65 per month. Under the other for an individual with one dependent, the rate will be \$2 a month.

Daily allowance for cash payments to non-member hospitals for certificate-holding members and for dependents will be increased to \$7. Allowance for a private room will be raised to \$6 per day, and the maternity waiting period is to be reduced from 10 to nine months.

The cards announcing the new rates stated that mounting cost for hospital

care has caused a deficit of \$169,750 in Blue Cross operations for the first two months of the fiscal year.

## List Cal. Managers' Speakers

At the morning session of the annual meeting of California Assn. of A. & H. Managers at San Francisco Nov. 3, following a short business session, Commissioner Downey will speak on "The Minimum Benefits Law" and Wesley J. A. Jones, executive secretary International Assn. of A. & H. Underwriters, on "Management Must Sell Too." J. Roger Deas, secretary to Governor Warren, will be the featured speaker at the luncheon on "Give Me Men to Match My Mountains."

Speakers for the sales congress which will follow the luncheon will be announced shortly.

## New Conference Members

South Coast Life of Beaumont and American of Newark, the fire company which has now entered the multiple line field, were elected to membership in H. & A. Underwriters Conference at a meeting of the executive committee at Chicago Monday.

The committee voted to revive the custom of entertaining the governing committee of Bureau of A. & H. Underwriters at a dinner at Philadelphia early in December.

## FOUR ANSWERS for the AMBITIOUS LIFE UNDERWRITER

### QUALITY COMPANY...

top rated mutual... over half century service... over three hundred millions insurance... over one hundred million of assets... over eight million in surplus... one of the very lowest net cost positions... full level premium reserve basis... modern... zero to age 65... streamlined policies... sub standard facilities... direct home office collection of premiums.

### QUALITY COMPENSATION

very unusual, and well vested General Agents contract... generous and attractive for the career life underwriter... with extra automatic financing commissions... pays well for quality men and General Agents... a fine pension plan.

### QUALITY TRAINING...

two week home office schools, refresher schools, for career men... constant group training for both young and veteran General Agents... in selection... recruiting... training... and supervision techniques.

### QUALITY TERRITORY...

often possible for the ambitious life underwriter who wants to build two or three quality men, or more, right in his own territory.

CENTRAL LIFE ASSURANCE SOCIETY MUTUAL IOWA



## Life Insurance Plus—

Reliance accident and sickness insurance policies are profitable to sell but there is another reason why Reliance representatives are glad to have this service to offer in addition to life insurance.

Many prospects who have strong sales resistance to any life insurance approach will admit a need for financial protection during disability. The accident and sickness presentation often breaks the barriers to a discussion of life insurance.

Time after time interviews opened with a discussion of disability benefits wind up with the sale of a substantial amount of life insurance. Reliance salesmen will tell you that having accident and sickness service to offer can increase their life sales from 20% to 30%.

Yes, Reliance salesmen use accident and sickness insurance as an aid to life sales. They know it pays.

The Company will be glad to furnish you information about its accident and sickness contracts.



RELiance LIFE INSURANCE COMPANY OF PITTSBURGH

"Reliance accident and sickness insurance boosts my life insurance sales."

Operating in 25 states. Writes all modern forms of life insurance including par and non par. Also accident and sickness insurance.

## LIFE AGENCY CHANGES

### Phelps Heads State Mutual Group Office in Rochester

State Mutual Life has opened a new group office in Rochester, N. Y. and appointed Furman B. Phelps as home office representative in charge. He was with the group department of Travelers before army service.



F. B. Phelps

Mr. Phelps joined State Mutual in 1947 and has been a group division home office representative in New York City. The State Mutual group office in Rochester is at room 510, Sibley Tower building.

State Mutual has also transferred Home Office Representative Rick O'Shea to the Baltimore office, where he will be associated with Albert K. Lennan, group division home office representative in charge. Previously Mr. O'Shea assisted in developing New York state disability benefits plans in Buffalo.

### Herzberg, Milwaukee Chief for Prudential, Retires

One of Milwaukee's best-known insurance men, Sidney Herzberg, has retired after 52 years in the business there with Prudential.

Mr. Herzberg was 17 when he started selling weekly premium policies for Prudential. In 1909, after 11 years' experience in this type of insurance, he switched to ordinary, joining his father who was then head of Prudential's Milwaukee agency. Soon after, the agency became known as Joseph Herzberg & Son. Upon the death of his father in 1924, he continued as manager.

### Morris to Loyal Protective

Robert G. Morris, who has been with Business Men's Assurance at Milwaukee, and has qualified for the A. & H. Leading Producers' Round Table for five years, has been appointed Milwaukee general agent for Loyal Protective Life.

### Hild Dayton Manager

Arthur E. Hild has been appointed head of Dayton, O., district of Prudential. He fills the vacancy created by the illness of William W. Dodgson. Mr.

Hild joined Prudential as an agent at Dayton, became a staff manager in 1944 and three years later went to the home office as a training consultant. He has been acting manager at Dayton for three months.

### Two New Prudential Aids

James W. Harris has been appointed assistant ordinary manager for Prudential at Spokane. He is a graduate of University of Saskatchewan, and served with the Canadian air force during the last war. He was formerly Spokane manager for Great-West Life.

Thomas A. Carruth has been appointed assistant ordinary manager at Long Beach, Cal.

### North Amer. Names Archer

North American Life has appointed Edward L. Archer as branch manager at Sudbury, Ontario. He succeeds J. O. Skilling, who will return to personal production. Mr. Archer joined North American Life in 1939 at Toronto. He is an R.C.A.F. veteran.

### Young Texas State Manager

Woodmen Accident and associated companies have appointed Cy Young of San Antonio state manager in Texas. He has been with Great American Reserve as personal producer and manager and more recently with Pioneer American as superintendent of agencies.

### Establishes New District

American National has established district No. 2 in Seattle under C. H. Jewell. This is the 10th district in the west coast division.

Mr. Jewell joined American National in 1946 in Seattle and became staff supervisor in 1947.

S. H. McCollum has been appointed Dallas manager of Pioneer American of Houston. Mr. McCollum has been with Reserve Loan Life since 1947.

## COMPANIES

### Fargo Insurer Puts Up New Funds; Wins License

American Christian Benefit Mutual Life of Fargo has now become licensed in North Dakota with Aubrey S. Hook as president. License was not renewed last May 1, because Commissioner Krueger alleged that the company could not meet the financial requirements of the law. Mr. Hook was formerly secretary. He was instrumental in raising some \$64,000 which was put into the company through the avenue of temporary capital stock and this was sufficient to rehabilitate the company.

Miss Annette Hanson, who was the president, has resigned. She is still president of American Christian Foundation of Fargo. This operates on a general agency basis.

Mr. Krueger has withdrawn the petition for receivership filed in Burleigh county district court in February. This company was formed on the foundation of three assessment institutions.

The Otis-Hann Co. of Chicago, according to J. Roberts Hann, the president, has won its litigation with American Christian Mutual Benefit. The Otis-Hann Co. was engaged in re-writing the business and performing other services and the suit was for abrogation of the contract and Mr. Hann stated that under the settlement, the Otis-Hann Co. received all to which it was entitled.

### Conduct Training Course

The ninth agency builders training course for agency managers and training supervisors of New England Mutual Life is being held at the home office this week. Thirteen qualified men are participating in the daily conferences where problems of recruiting and selection, agency building, training, agency

supervision and other allied subjects are discussed.

### Life & Casualty Plans 33 1/3% Stock Dividend

Directors of Life & Casualty will Oct. 17 on a 33 1/3% stock dividend. The company recently reported largest six-month profit ever reported for the first half of this year.

### Home State Anniversary

In celebration of its 21st anniversary Home State Life will hold a convention Nov. 1-5. There will be about 200 agents and their wives and 100 members of office force attending the outing. The convention will include educational meetings.

## MANAGERS

### Weide Austin Speaker

Austin (Tex.) Life Managers heard Boyd Weide, Minnesota Mutual Life, speak on a plan for training a new agent so that he may, through use of a chart, shift his presentation either one of three types of policies and yet make an effective sales presentation. He also described the company plan financing agents.

A committee was named for community chest solicitation.

### Austin Cashiers Elect

Austin, Tex., cashiers have elected Winnifred Radigan, Prudential, president; Jean McKnight, Western Reserve Life, vice-president; Dora Miller, public National Life, secretary-treasurer, and Olga Alexander, Metropolitan Life, assistant secretary-treasurer.

Lolita Jones, Paul Revere Life, elected secretary of the National Association to succeed Marie Blair, Southland Life, who resigned.

Plans were discussed for the national convention to be held at Austin Oct. 27-28.

Fort Worth Managers heard George McIlheran, Great National Life, and Leon Landon, Southland Life, presented a résumé of the beginning chapters of the book "How to Build a Successful Life Insurance Agency" by Sam Cummings.

Northern New Jersey managers during the year to hold seven luncheon meetings, one dinner and a joint meeting with the supervisors. The luncheon will be held on Oct. 10 at Newark at which Harold C. Rose, New York City, will speak.

Denis B. Maduro, New York City attorney, will discuss business insurance as it applies to supervisors at an Oct. 10 luncheon meeting of the New York Life Supervisors Assn.

### Name Harris at Springfield

A. H. Harris, Mutual Benefit H. & has been elected president of Springfield (Ill.) Assn. of A. & H. Underwriters. Charles W. Cooper, Business Men's Assurance, is the new vice-president and Fred E. Skinner, Acme Life, secretary.

Bert A. Hedges, Business Men's Assurance, Wichita, will speak at the meeting Oct. 6.

Jay De Young, Continental Casualty Chicago, member of the International association executive board, addressed the local executive board at a meeting on plans for the coming membership campaign.

### A. J. BOCK CO. Real Estate Loan Agents

Inquiries Invited  
345 Franklin St., San Francisco 2, Cal.  
HEmlock 1-4273

## WE WILL PREVAIL

Misunderstanding, conflict, losses, ultimate victory.

This appears to be the pattern of life in American history.

And what makes ultimate victory always certain? . . . our basic institutions—Life Insurance, for one . . . 80 million Americans owning a quarter of a trillion dollars of life insurance.

Where humans have such foresight and know such security how could we but prevail?



### The UNION LABOR Life Insurance Company

570 Lexington Avenue, New York 22, N. Y.

BIRTHDAY and CHRISTMAS CARDS that SPARKLE

to wish you personally... HAPPY BIRTHDAY

SALESMAN'S PICTURE HERE

SALESMAN'S NAME AND COMPANY NAME HERE

Posty Cards can be Personalized . . .

POSTY CARDS CAN BE PERSONALIZED WITH THE SALESMAN'S PICTURE—THESE COLORFUL—CLEVER CARDS—HAVE PROVEN THEMSELVES EXCELLENT GOODWILL BUILDERS—15 LIFE INSURANCE COMPANIES NOW USE THEM REGULARLY. BOTH BIRTHDAY AND CHRISTMAS CARDS AVAILABLE—WRITE FOR SAMPLES AND PRICES.

THE POSTLETHWAITE CO., INC.  
17 EAST 14TH STREET  
KANSAS CITY 6, MISSOURI

## NATIONAL RESERVE LIFE

Topeka, Kansas

A few unusual opportunities open for liberal general agent franchises in states west of the Mississippi.

H. O. CHAPMAN, President



## LIFE SALES MEETINGS

### U. S. Life Centennial Meet at Lake George

United States Life's centennial agency meeting held at Lake George, N. Y., honored its leading producers in domestic territory.

The six-month qualifying period extended from Mar. 1 through Aug. 31. Among the 60 guests were four agents from the Brainard & Black agency in Hawaii.

The program began with registration and a welcome reception for all guests followed by dinner. The next three days covered specific phases of the business. The first day was devoted to life insurance under the chairmanship of Robert W. Staton, superintendent of agencies; the second day to A. & H. and hospitalization with Douglas J. Moe, manager of A. & H. underwriting, as chairman, and the third day to group insurance under the chairmanship of Fred O. Becher, Jr., manager of the group department.

On the first morning E. J. Moorhead, executive vice-president, discussed "You and the U. S. Life."

Mr. Staton followed with a talk on the "Highlights of the U. S. Life Rate Book."

Louis Norman, general agent at Hartford, gave a talk entitled, "Blue Print to Peace of Mind."

Dalton C. Stapleton, general agent at Buffalo, spoke on income security through retirement income insurance.

Joseph B. Treusch, advertising manager, discussed "Sales Promotion, Your Partner in Building More Sales."

In the final talk of the morning session, James F. McGrath, Jr., home office general agent, discussed "Know-How Sells Business Insurance."

The afternoon session was devoted to an agency managers' round table meeting during which plans for the

coming year were discussed. At the centennial banquet that evening, Richard Rhodebeck, president, made the presentation of awards to the company's leaders. Agency plaque awards were presented to: Brainard & Black, Hawaii, for the largest paid life volume, Keane & Warner, New York, for the largest volume of new A. & H. premium, and Chapman-Stapleton, Buffalo, for having the largest number of qualifying agents.

The second day Mr. Moe discussed U. S. Life's A. & H. and hospital portfolio.

Richard C. Caldwell, manager at Newark, spoke on "Why Sell A. & H. Insurance?"

Robert J. Keane, New York general agent, gave a talk entitled "How to Get More A. & H. Business Issued in Less Time."

On the final day Mr. Becher delivered the first talk entitled "Introduction to Group Insurance."

William P. White, director of group sales and service, spoke on "Prospecting and Sale of Group Insurance."

A summation of the activities of the meeting was made by Mr. Moorhead. A farewell luncheon closed the meeting.

### Union Life to Hold 30th Anniversary Meet

Union Life will hold its 30th anniversary convention at Little Rock and Hot Springs Oct. 9-11.

The theme of the convention will be "security packages," with emphasis on the new federal social security law.

Speakers are John A. Mathis, manager at Artesia, N. M.; A. Walton Litz, vice-president and agency director; Frank Whitbeck, vice-president and manager of ordinary agencies; Frank W. Frensey, Jr., superintendent of agencies, and Thomas B. Rosser, Metropolitan Life, Dyersburg, Tenn.

An all-day outing has been planned for Oct. 10, at Hot Springs, with luncheon at the Arlington Hotel and a lake-side picnic supper following recreational activities.

### 100 at Paul Revere Course

More than 100 field men of Massachusetts Protective and Paul Revere Life representing 38 states, have completed a week of sales training at the home office. This brings to 900 the number of field men who have participated in the program. Special emphasis was on individual sales drill and discussion.

General agents of the companies will convene at eight regional meetings this month for intensive three-day recruiting and training forums. Edward R. Hodgkins, vice-president and manager of agencies; Harland L. Knight, agency vice-president; Robert P. Hallock and Charles B. McKenzie, superintendents of agencies of the western and south-central divisions, respectively, will conduct the training sessions.

### To Hold Regional Series

Kansas City Life will conduct a series of five regional meetings in the west during October. The meetings will be in Salt Lake City, Seattle, San Francisco, Los Angeles and Phoenix.

Heading the home office group will be W. E. Bixby, president. Meetings will be conducted by the field training department under V. N. Barnes. Special attention will be given to the revised social security act and to estate planning.

### Dinner Opens N. J. Season

New Jersey A. & H. Assn. opened its season with a dinner at Newark Oct. 5. Speakers were Mrs. Harold Murray, first vice-president New Jersey Medical Society, and Carl A. Ernst, St. Paul, vice-president International association.

## COMPANY MEN

### Washington National Appoints Dr. P. C. Waldo

Dr. Proctor C. Waldo has been appointed associate medical director of Washington National.

He was medical referee in the Chicago area for the Mutual Life until his connection with Washington National. He is a graduate of the University of Chicago and Rush Medical College. He is a navy veteran.

### Security Mutual Names Clark Agency Secretary

Don Clark, formerly special representative at Wichita, Kan., has been named agency secretary of Security Mutual Life.

### Teachers Names Trowbridge

Albert L. Trowbridge has been appointed western representative of Teachers Insurance & Annuity in charge of the new mortgage investment office in Colorado Springs.

He joined Teachers in 1946 and was

named associate mortgage officer in 1948. A graduate of the University of Missouri, Mr. Trowbridge was with the land classification survey of the Department of Agriculture and in the mortgage department of Travelers. He is a navy veteran.

### Waller Field Superintendent

Carroll D. Waller has been promoted by Homesteaders Life of Des Moines to field superintendent in charge of training.

Mr. Waller has been serving as special representative. He entered insurance with his father, the late B. N. Waller, who was general agent at Des Moines for Northwestern Mutual Life.

### Commonwealth Ups Farmer

Ben A. Farmer, formerly assistant manager at Richmond, Ky., has been named field training manager of Commonwealth Life. He joined the company in the Capitol district in 1948 and was named assistant manager a year later.

Solomon Huber, general agent at New York City of Mutual Benefit Life, addressed the League of Life Insurance Women at its first fall meeting.

## OUR SIXTY-THIRD YEAR



"Ask me!—I own a Bankers Life of Nebraska General Agents' contract—have for eleven years—and I like it."

"Here's why! I have a contract that makes me make money. A company that is old in years, but young in spirit. Policy contracts that stand comparison in any field. Home Office assistance and direction that is progressive in ideals and action, and considerate of my problems. Best of all—I have an Opportunity for the Future—to build and grow—and succeed."

(Excerpt from a letter from "A man who owns one." He is J. H. Brown, General Agent, Pittsburgh, Pa.)

Ask any Bankers Life of Nebraska man what HE thinks about HIS future—and you'll see what we mean.



**Bankers Life**  
INSURANCE COMPANY  
OF NEBRASKA

## WANT ADS

Rates \$12 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline Tuesday noon in Chicago office — 175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER  
LIFE EDITION

### SUPERVISORS OF AGENCIES

An unusual opportunity exists for a well-informed, aggressive man now doing or aspiring to do agency supervisory work. The man filling this position will operate from the home office of a large West Coast life, accident and health insurance company. If you have a record of success in recruiting, training, selling and supervising and would like a greater opportunity for advancement, write indicating age, marital status, business and educational background and salary desired. All replies strictly confidential. Address B-83, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### ACTUARIAL STUDENT

Large midwest life insurance company with sizable Group business, desires the services of an Actuarial Student 25 to 35 years of age, who has passed at least 4 examinations and who plans to continue for his Fellowship. Excellent opportunity for advancement in actuarial and administrative work. Address B-67, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### INDUSTRIAL GENERAL AGENTS

Unique general agency contracts available for top industrial life producers in Pennsylvania and Ohio. Modern line of industrial life policies with popular ordinary contracts. A & H agencies can supplement income with this new line of life business. Address B-72, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## EDITORIAL COMMENT

## Thank You, Mr. Linton

Just as every newsman has a list of in-the-know executives on whom he calls for news, every business has authorities on various subjects on whom it calls for a comment or guidance when the specialist's topic comes to the fore as a problem. The life insurance business is not unlike other businesses in this regard.

M. Albert Linton, president of Provident Mutual, admittedly a full time job in itself, and also a representative of the business on social security legislation, is regarded quite generally as one who knows and understands the defects of reasoning which lead to the sale of term insurance when cash-value protection is needed. He has twice prepared at about 10-year intervals booklets which illustrate the perils of a self managed investment program that does not include the accumulation of savings in permanent insurance.

His efforts were a valuable contribution to agents combating the "counselors" of the '30s and they were appreciated by producers of all companies and their executives to whom the information was unselfishly made available.

Inflation has returned and a term boom with it. Fortunately Mr. Linton is here and has come out with an up-to-date brochure on "Inflation and the Lure of Term Insurance." Mr. Linton gave a talk at the annual meeting of the Million Dollar Round Table which contains the answers needed by agents in their sales work.

Agency executives in the last few months have been commenting that the term problem was getting serious and that it was time "Linton came out with a discussion of the problem." With customary timeliness, he has done so. Thank you, Mr. Linton.

## Getting Back of the Grass-Roots Program

Eugene Thoré, general counsel of Life Insurance Assn. of America, in his talk at the convention of the National Assn. of Life Underwriters at Washington last week made a suggestion that could well be taken up as a major project by the life insurance agency forces.

The N.A.L.U. has already made gratifying progress with its "grass roots" program of working for good legislation and forestalling objectionable measures but Mr. Thoré envisioned an even more comprehensive program. Where the grass roots program is designed to approach legislators through people "back home" who know them well and enjoy their confidence, Mr. Thoré would like to see the agents interest themselves in promoting a social climate that is sympathetic to the aims of life insurance in the broadest sense. That includes the entire free enterprise system. For example, national health insurance would not get far if agents had explained its drawbacks in their respective communities.

No matter how well an agent may know a congressman or senator the legislator is not going to go along with a request that he feels to be against the wishes of the general run of his constituents. If the demagogues have been getting in their licks, it may be politically inexpedient for a member of Congress or of a state legislature to go

against the teachings that have been implanted, however false they may be.

But if the organized agents, in the course of the civic work that many of them do anyway, can offset the wrong-headed notions that ignorant or self-seeking leaders are merchandising, the result would be to make the grass roots program of influencing legislation far more effective than would otherwise be possible.

It is true that many developments that life insurance men worried about proved a blessing in disguise. Among these were the life insurance provided to the armed forces in the first world war; also social security in its earlier stages and to a great extent even as revised this year.

But it's not necessarily always going to turn out that the kick in the pants proves in the long run to be a means of rising to new and higher levels. And by the time that we realize that things don't always work out for the best unless we take steps to see that they do it may be too late to take those steps.

The life agents have a tremendous latent capacity for influencing not merely legislation but also the underlying political attitudes that make it possible to get the right kind of legislation and discourage the wrong kind. But it won't be done without determined, organized effort.

## PERSONAL SIDE OF THE BUSINESS

Commissioner Allen of Tennessee has announced the retirement under the state pension act of **William C. Flournoy**, senior examiner of the department for 27 years. During this period Mr. Flournoy has been assigned to investigations in 25 states and Canada. He plans to continue his home at Nashville. Commissioner Allen will name a successor shortly.

**William C. Neu**, assistant actuary Security Life & Accident, has been called back into the navy.

**John H. Leaver**, general agent for Mutual Benefit Life at St. Louis, and Mrs. Leaver have returned from an extended automobile trip in Europe.

**J. Colgan Norman** of Penn Mutual Life's Lipscomb agency at Louisville has received the award of the Silver Antelope from the Boy Scouts of America.

**W. E. Bixby**, president of Kansas City Life, has been elected a trustee of the University of Kansas City.

**Charles E. Cleeton**, general agent for Occidental at Los Angeles and vice-president of N.A.L.U., is spending two weeks at White Sulphur Springs to rest up from a vigorous year which reached its climax during the N.A.L.U.

convention in Washington. Mr. Cleeton had driven from his home alone and will head back after a rest with stops along the way to renew old acquaintances.

Connecticut General has published a 60-page illustrated book honoring the memory of its former president and board chairman, the late **Robert W. Huntington**. The memorial volume is being sent to all those who have worked for the company for five years or more and to others the company thinks might be interested in it. Mr. Huntington died in 1949. Nearly 60 of his 82 years, as President Frazar B. Wilde notes in a letter accompanying the book, were devoted to Connecticut General.

**A. C. Larson**, in life insurance nearly 50 years, and formerly state manager for Central Life of Iowa at Madison, Wis., observed his 75th birthday Oct. 1. He and his wife observed the 52nd wedding anniversary last August. He was one of the organizers of Madison Assn. of Life Underwriters and formerly was prominent in N.A.L.U. activities.

**Jean R. Kinder**, treasurer of Midwest Life, Lincoln, Neb., is vice-president and a director of the newly organized Park National Bank of Chicago.

## Confer at Washington on Credit Restriction Rules

WASHINGTON—Problems involved in restriction of housing construction and real estate credits were the subject of a conference here this week attended by life insurance representatives, others concerned with mortgage financing and government officials.

Among those in attendance were L. Douglas Meredith, executive vice-president, National Life of Vermont; Norman Carpenter, Metropolitan Life, and James J. O'Leary, director of research Life Insurance Assn. of America.

Housing construction credit restrictions were expected to be issued within a week.

No disagreement in government circles over the proposed rules was reported, but officials said they have been difficult to work out and nobody can forecast their probable effect.

## Hike Ia. Blue Cross Rates

DES MOINES—The Iowa department has granted tentative approval to Hospital Service of Iowa to increase Blue Cross rates in the state, the increase ranging from 25 cents to \$1.05 per contract. The \$1.05 will be on farmer and direct policyholders.

The department reported that the boost was designed to produce a loss ratio of approximately 80%. It will hold further conferences to take up actual rates. A reported raise in hospital rates of about 10% since the first of the year figured in the increase.

**Dr. C. L. Reeder**, medical director of Continental Assurance, will address the Brooklyn Kiwanis Club Oct. 17. Carl E. Haas of the Haas agency of the company, Brooklyn, is chairman of the Kiwanis program committee.

## OASI Checks on New Basis Now Being Delivered

WASHINGTON—FSA Administrator Ewing says monthly benefit checks for OASI for September are being delivered this week to 2,969,000 persons. They show an increase of \$50 million over those in August to the same beneficiaries.

August benefit checks totaled \$61,690,000 and the September total is \$111,950,000.

The job of converting the checks to the new amounts was accomplished in time for their delivery on the due date usually the 3rd.

## Offering Actuarial Course

The school of business administration of the University of Buffalo is offering this year for the first time a course on "Introduction to Actuarial Science" taught by C. Arthur Williams. The course will include calculation of annuity values, simple problems in premiums and reserves, and elementary considerations in loading and gross premiums during the first semester, to be followed by methods of construction of mortality tables and single-life annuity premiums.

## Mersereau Succeeds Ritter

T. K. Mersereau, Monarch Life, Baltimore, has been appointed to the executive board of International Assn. of A. & H. Underwriters. He fills the vacancy created by the resignation of Harry Ritter, General Accident, Philadelphia, and takes over the eastern zone.

There is one other vacancy on the board, created by the recent resignation of Rolf R. Noll, Postal Life & Casualty, Kansas City.

## THE NATIONAL UNDERWRITER

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd.,

EDITORIAL DEPARTMENT: Managing Editor: Robert B. Mitchell. News Editor: F. A. Post. Associate Editor: Levering Cartwright. Assistant Editors: Richard J. Thain, John C. Burrage.

OFFICERS: Howard J. President and Secretary. St., Cincinnati 2, Ohio.

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CINCINNATI 2, OHIO—420 E. Fourth St. Tel. Parkway 2140. George C. Roeding, Asso-

ciate Manager; George E. Wohlgenuth, News Editor; Roy Rosenquist, Statistician.

DALLAS 1, TEXAS—708 Employers Insurance Bldg., Tel. Prospect 7-1127. Roy H. Lang, Southwestern Manager.

DES MOINES 12, IOWA—3333 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager.

DETROIT 26, MICH.—413 Lafayette Bldg., Tel. Woodward 3-2826. A. J. Edwards, Resident Manager.

KANSAS CITY 6, MO.—605 Columbia Bank Bldg. Tel. Victor 9157. William J. Gessing, Resident Manager.

MINNEAPOLIS 2, MINN.—558 Northwestern Bank Bldg. Tel. Main 5417. R. W. Landstrom, Resident Manager.

NEW YORK 7, N. Y.—99 John St., Room 1103. Tel. Beekman 3-3958. Editorial Dept.—Eastern Editor: Kenneth O. Force; Assistant Editor: Donald J. Reap.

## LIFE INSURANCE EDITION

PUBLISHED EVERY FRIDAY

CHICAGO 4, ILL. Telephone Wabash 2-7700

Burrage, President. Louis H. Martin, Vice

John Z. Herschede, Treasurer. 420 E. Fox

Business Dept.—Ralph E. Richman, Vice

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PHILADELPHIA 9, PA.—123 S. Broad St.,

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Coast Editor.





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John P. Stock, president of Maccabees, being installed as president of N.F.C. by Sam H. Hadley, president of Protected Home Circle.

### PERTINENT STATISTICS

ASSETS .....	Over	\$124,000,000
INSURANCE IN FORCE .....	Over	\$532,000,000
BENEFITS PAID SINCE 1902 ....	Over	\$ 55,000,000

### AID ASSOCIATION FOR LUTHERANS

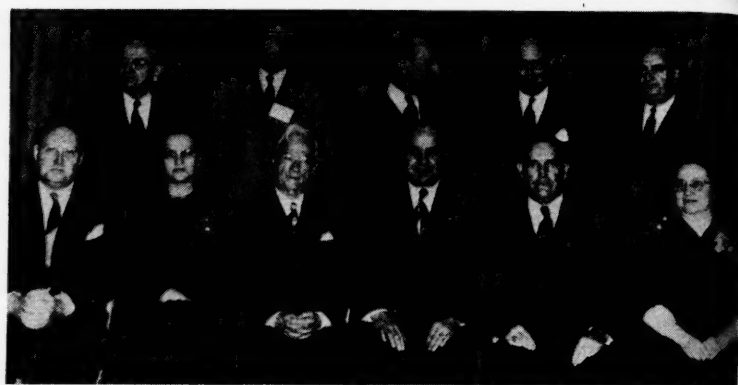
Legal Reserve Fraternal Life Insurance  
Exclusively for Synodical Conference Lutherans

Home Office: APPLETON, WISCONSIN

### PROTECTED HOME CIRCLE SHARON, PA.

FOUNDED IN 1886

A Legal Reserve Fraternal Insurance Society  
S. H. HADLEY, Supreme President L. D. LININGER, Supreme Secretary  
SHARON, PA.



New officers and executive committee members of National Fraternal Congress: Seated are Foster F. Farrell, secretary-treasurer-manager; Susan Matuscak, First Catholic Slovak Ladies Union, board member; George G. Perrin, Modern Woodmen, past president and board member; John P. Stock, Maccabees, president; Luke E. Hart, Knights of Columbus, vice-president, and Mary McCullough, Women's Catholic Order of Foresters, board member. Standing are members of the board Ernest R. Deming, Unity L. & A.; Robert Bigelow, Independent Order of Foresters; Sam H. Hadley, Protected Home Circle, the installing officer; R. George Ransford, Gleaner Life, and London A. Knight, Royal Neighbors.

## AGENCY NEWS

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#### 250 at Cleveland Open House

About 250 life insurance men and business men attended the opening of the new offices of the Cleveland agency of American United Life. Leslie Crouch, president, and E. M. Spence, vice-president and agency director, represented



Officers elected by the newly formed Fraternal Youth Counsellors Assn. are: Seated, left to right, Mrs. Vivian Watkins, Modern Woodmen, president, and Mrs. Edna E. Dugan, Degree of Honor, secretary. Standing, left to right, are Hugh P. Young, Catholic Order of Foresters, and John Badovinac, Croatian Fraternal Union of America.

the home office. Paul H. Roach is general agent.

#### Topics for Pacific Actuarial Club Listed

A series of papers followed by open forum discussions will highlight the fall meeting of Actuarial Club of the Pacific, which will be held at Pebble Beach, Cal., Oct. 23-24.

Principal subjects to be discussed are: Expenses — A. B. Brown, Harry M. Sarason, Leo Norquist and Oscar Swenson; pension plans — Alwin W. Lewis, David Goddard, Angus Crawford, Robert Little; investments — Fletcher G. Shepard, Russell C. Burton, Verne L. Tickner and Robert B. Richardson; war clause — Marcus Gunn, Owen J. Myers, Charles Mehman and Floyd Young. There also will be an open forum on policy contracts.

Dorrance B. Glasscock is president; Raymond M. Johnson, vice-president and Dr. A. C. Olshen, West Coast Life secretary.

#### Unruh Chattanooga Speaker

"Life insurance becomes a virtual necessity to bridge the gap between the estate that a man has and the estate he should have at his death," H. C. Unruh, actuary of Provident Life & Accident, said in addressing Estate Planning Council of Chattanooga. John A. Witherspoon of Nashville will speak at the October meeting.

The council went on record as endorsing the national statement of cooperation ratified by N.A.L.U. and American Bar Assn.

#### INCREASE YOUR INCOME

You make more money selling when you represent a society that has a complete line of modern life insurance contracts.

Life insurance contracts that provide PROTECTION to take care of every need—INCOME for the assured—PROTECTION FOR DEPENDENTS—EDUCATION of children—MORTGAGE payment—ACCIDENT protection—SALARY replacement, help increase sales.

Rates and Reserves based on the latest and most modern C.S.O. mortality table and 2½% interest assumption.

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Life Insurance for Men, Women and Children  
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### ROYAL LEAGUE 309 W. Jackson Blvd., Chicago 6, Illinois

LEGAL RESERVE LIFE INSURANCE WITH  
ATTRACTIVE SOCIAL AND BENEVOLENT  
BENEFITS.



## Merialdo-Donovan Race

The race for state comptroller and ex-officio insurance commissioner in Nevada is between Peter Merialdo, who is a local insurance agent at Eureka, he being the Republican nominee, and Jerry Donovan, the Democratic incumbent.

## ACTUARIES

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Consulting Actuaries

Employee Benefit Plans

RICHMOND • ATLANTA

## ASSOCIATIONS

### S. E. Kansas Congress Speakers Are Announced

The program for the sales congress and meeting of Southeast Kansas Life Underwriters Assn. Oct. 20-21 at Coffeyville, with the Coffeyville association as host, has been announced by General Chairman J. R. Harrison, New York Life. Speakers include Elmer Moore, New York Life, Wichita, Million Dollar Round Table member and newly elected trustee of N.A.L.U., on "Programming"; Bert A. Hedges, Business Men's Assurance, Wichita, on "Sales Tips for Agents"; Rex Lear, Farmers Life, Salina, Kansas national committeeman and past state president; Clyde Braden, Equitable Society, Independence, immediate past state president of K.A.L.U.; Frank Sullivan, Kansas commissioner and vice-president of N.A.I.C., and Frank Sutton, veterans administration, Muskogee, Okla., formerly with Equitable Society at Coffeyville. General agents and managers will hold their dinner meeting Oct. 20.

### Joint Congress at Hays, Kan.

Western Kansas Life Underwriters Assn., including the Central Kansas association, Great Bend; Northwest Kansas, Hays; Plainsmen, Colby, and Southwest Kansas, Dodge City, will hold a joint sales congress at Hays Oct. 14. General chairman is D. W. Clouse, Business Men's Assurance, Almena. The program includes: "Self-Management," Paul Raymond; "Programming," Charles E. Fritchie; "Legal Matters," Gene Zuppann, Goodland attorney; "Social Security," Harris Hartman, field representative of social security administration, Levi B. Rymph, Columbian National, Wichita, will speak on L.U.T.C. classes and Keith Hayes, Mutual Life, Hutchinson, Kansas president, will report on the recent N.A.L.U. meeting. Luncheon speaker will be Dr. M. C. Cunningham, president of Fort Hays State College.

**New Haven**—The new officers and directors held an organization meeting at which President Charles K. Gordy appointed his committees.

Speakers for the first three meetings starting Oct. 19 will be Howard J. Richards, of Boston, Probate Judge James A. Shanley, New Haven, and Clifton E. Davenport, New Haven field office, social security administration.

**Los Angeles**—More than 100 have enrolled for the L.U.T.C. classes which start the last week in October. Instructors are R. W. Fischer, Northwestern Mutual; R. B. Ogden, Jr., Occidental; Jack O'Neil and Jack M. Zevin, Prudential.

**El Reno, Okla.**—The new local association, ninth to join the state association, has completed its organization. Frank W. Waller, American National, is president; B. M. McGinley, Great Southern, vice-president, and James W. Wilkinson, Mutual Life, secretary.

**Little Rock**—Powell B. McHaney, executive vice-president and general counsel of General American Life, spoke at the Sept. 28 meeting.

**Springfield, Ill.**—The LUTC course will start Oct. 27, conducted by Earl Cameron, Lincoln National. Chairman is Karl J. Peterson.

**Lincoln, Neb.**—The financial stability of the federal government "means everything" to the man who puts his money into a life insurance policy, Rep. Carl T. Curtis of Nebraska told the group.

**Niagara Falls, N. Y.**—John A. Latosi, agency supervisor at Buffalo for Equitable Society, spoke at the September meeting.

**Kalamazoo, Mich.**—Mayor Paul H. Todd spoke at the annual recognition dinner. National quality awards were presented.

**THOMAS A. WRIGHT**, 54, New England Mutual Life, San Jose, Cal., died after a lengthy illness. He had been with New England Mutual for 10 years, but had been inactive for the past year.

### Further War Clause Actions Are Listed

Capitol Life—Results type clause for service and reserve personnel.

Jefferson Standard—War-aviation clause for paratroopers, members of airborne units, submarine service, air force on flying status, and air force mechanics, radio or communications service; West Point, coast guard academy and marine academy cadets, Annapolis midshipmen and officers within two years after graduation from these institutions; members of the armed services subject to actual or potential extra aviation hazard; on amounts in excess of \$5,000 issued to commissioned officers, and the first three grades of enlisted men, who are not in the preceding classifications; on amounts over \$10,000 issued to males ages 15 to 26 having no military connections with the armed forces, national guard or reserves, members of the national guard (except pilots or crew members) and members of the reserves (except pilot or crew members and members of the submarine service); war-aviation clause for members of the national guard, or reserves, who are pilots or crew members. Only ordinary life and higher premium forms will be issued to any of the preceding classifications. The company will not issue insurance

to members of the armed forces who have been alerted for duty outside the home area or to enlisted members of the armed forces in the four lowest pay grades.

Pacific Mutual Life—No war clause. Travelers—No war clause.

### New Book on Estate Planning

Prof. William J. Bowe of Vanderbilt University, whose book on "Tax Planning for Estates" has sold into the third edition, has announced release about Nov. 1 of a second volume, "Life Insurance and Estate Tax Planning." Wallace N. Watson of Estate Planning Corp., who writes the foreword, states that the two chapters in the new book devoted to business life insurance offer "a new approach that should eliminate much of the uncertainty and confusion generally felt in the field of survivor-purchaser agreements."

### "Working Girl" Fashions

"Miss Working Girl, 1950" was the theme of a fashion show held in the employe clubrooms of Mutual Life. The fashions were modeled by members of Mutual Life Assn., employe group, and designed for the career girl seeking style and flexibility at a budget price.

NUMBER TWO in a series of advertisements outlining advantages enjoyed by field underwriters of the Equitable Life of Iowa

## TRAINED FOR SUCCESS

Field underwriters of the Equitable Life of Iowa are expertly trained. New associates are enrolled in a combined study and field project known as the Basic Training Course. The next step in the training process is attendance at a Home Office School. Then follow two Intermediate Training Courses featuring estate plans, business insurance fundamentals and programming. Cooperation is given eligible associates in their attainment of the Chartered Life Underwriter designation. Continuous personal supervision is given to the training progress of all recruits.

**EQUITABLE**  
Life Insurance Company  
OF IOWA



FOUNDED IN 1867 IN DES MOINES

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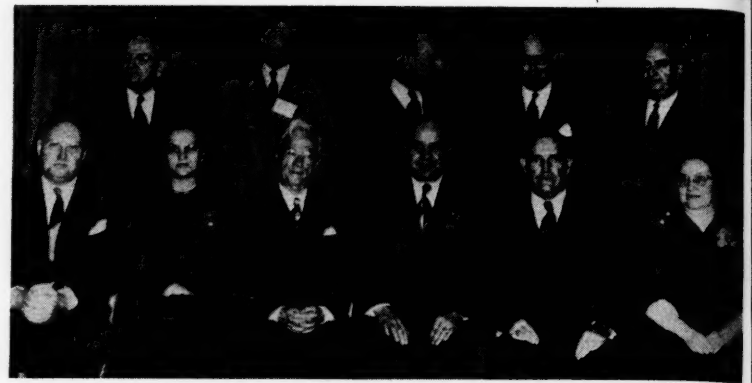
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### 250 at Cleveland Open House

About 250 life insurance men and business men attended the opening of the new offices of the Cleveland agency of American United Life. Leslie Crouch, president, and E. M. Spence, vice-president and agency director, represented



Officers elected by the newly formed Fraternal Youth Counsellors Assn. are: Seated, left to right, Mrs. Vivian Watkins, Modern Woodmen, president, and Mrs. Edna E. Dugan, Degree of Honor, secretary. Standing, left to right, are Hugh P. Young, Catholic Order of Foresters, and John Badovinac, Croatian Fraternal Union of America.

the home office. Paul H. Roach is general agent.

### Topics for Pacific Actuarial Club Listed

A series of papers followed by open forum discussions will highlight the fall meeting of Actuarial Club of the Pacific, which will be held at Pebble Beach, Cal., Oct. 23-24.

Principal subjects to be discussed are: Expenses — A. B. Brown, Harry M. Sarason, Leo Norquist and Oscar Swenson; pension plans — Alwin W. Lewis, David Goddard, Angus Crawford, Robert Little; investments — Fletcher G. Shepard, Russell C. Burton, Verne L. Tickner and Robert B. Richardson; war clause — Marcus Gunn, Owen J. Myers, Charles Mehlman and Floyd Young. There also will be an open forum on policy contracts.

Dorrance B. Glasscock is president; Raymond M. Johnson, vice-president and Dr. A. C. Olshen, West Coast Life, secretary.

### Unruh Chattanooga Speaker

"Life insurance becomes a virtual necessity to bridge the gap between the estate that a man has and the estate he should have at his death," H. C. Unruh, actuary of Provident Life & Accident, said in addressing Estate Planning Council of Chattanooga. John A. Witherspoon of Nashville will speak at the October meeting.

The council went on record as endorsing the national statement of cooperation ratified by N.A.L.U. and American Bar Assn.

### INCREASE YOUR INCOME

You make more money selling when you represent a society that has a complete line of modern life insurance contracts.

Life insurance contracts that provide PROTECTION to take care of every need—INCOME for the assured—PROTECTION FOR DEPENDENTS—EDUCATION of children—MORTGAGE payment—ACCIDENT protection—SALARY replacement, help increase sales.

Rates and Reserves based on the latest and most modern C.S.O. mortality table and 3 1/4% interest assumption.

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Life Insurance for Men, Women and Children  
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LEGAL RESERVE LIFE INSURANCE WITH  
ATTRACTIVE SOCIAL AND BENEVOLENT  
BENEFITS.

## PERTINENT STATISTICS

ASSETS ..... Over \$124,000,000  
INSURANCE IN FORCE ..... Over \$532,000,000  
BENEFITS PAID SINCE 1902 .... Over \$ 55,000,000

## AID ASSOCIATION FOR LUTHERANS

Legal Reserve Fraternal Life Insurance  
Exclusively for Synodical Conference Lutherans

Home Office: APPLETON, WISCONSIN

## PROTECTED HOME CIRCLE

SHARON, PA.

FOUNDED IN 1896

A Legal Reserve Fraternal Insurance Society

S. H. HADLEY, Supreme President L. D. LININGER, Supreme Secretary  
SHARON, PA.



## Merialdo-Donovan Race

The race for state comptroller and ex-officio insurance commissioner in Nevada is between Peter Merialdo, who is a local insurance agent at Eureka, he being the Republican nominee, and Jerry Donovan, the Democratic incumbent.

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## ASSOCIATIONS

### S. E. Kansas Congress Speakers Are Announced

The program for the sales congress and meeting of Southeast Kansas Life Underwriters Assn. Oct. 20-21 at Coffeyville, with the Coffeyville association as host, has been announced by General Chairman J. R. Harrison, New York Life. Speakers include Elmer Moore, New York Life, Wichita, Million Dollar Round Table member and newly elected trustee of N.A.L.U., on "Programming"; Bert A. Hedges, Business Men's Assurance, Wichita, on "Sales Tips for Agents"; Rex Lear, Farmers Life, Salina, Kansas national committeeman and past state president; Clyde Braden, Equitable Society, Independence, immediate past state president of K.A.L.U.; Frank Sullivan, Kansas commissioner and vice-president of N.A.I.C., and Frank Sutton, veterans administration, Muskogee, Okla., formerly with Equitable Society at Coffeyville. General agents and managers will hold their dinner meeting Oct. 20.

### Joint Congress at Hays, Kan.

Western Kansas Life Underwriters Assn., including the Central Kansas association, Great Bend; Northwest Kansas, Hays; Plainsmen, Colby, and Southwest Kansas, Dodge City, will hold a joint sales congress at Hays Oct. 14. General chairman is D. W. Clouse, Business Men's Assurance, Almena. The program includes: "Self-Management," Paul Raymond; "Programming," Charles E. Fritchie; "Legal Matters," Gene Zuspann, Goodland attorney; "Social Security," Harris Hartman, field representative of social security administration. Levi B. Rymph, Columbian National, Wichita, will speak on L.U.T.C. classes and Keith Hayes, Mutual Life, Hutchinson, Kansas president, will report on the recent N.A.L.U. meeting. Luncheon speaker will be Dr. M. C. Cunningham, president of Fort Hays State College.

**New Haven**—The new officers and directors held an organization meeting at which President Charles K. Gordy appointed his committees.

Speakers for the first three meetings starting Oct. 19 will be Howard J. Richards, of Boston, Probate Judge James A. Shanley, New Haven, and Clifton E. Davenport, New Haven field office, social security administration.

**Los Angeles**—More than 100 have enrolled for the L.U.T.C. classes which start the last week in October. Instructors are R. W. Flischer, Northwestern Mutual; R. B. Ogden, Jr., Occidental; Jack O'Neil and Jack M. Zevin, Prudential.

**El Reno, Okla.**—The new local association, ninth to join the state association, has completed its organization. Frank W. Waller, American National, is president; B. M. McGlinley, Great Southern, vice-president, and James W. Wilkinson, Mutual Life, secretary.

**Little Rock**—Powell B. McHaney, executive vice-president and general counsel of General American Life, spoke at the Sept. 28 meeting.

**Springfield, Ill.**—The LUTC course will start Oct. 27, conducted by Earl Cameron, Lincoln National. Chairman is Karl J. Peterson.

**Lincoln, Neb.**—The financial stability of the federal government "means everything" to the man who puts his money into a life insurance policy, Rep. Carl T. Curtis of Nebraska told the group.

**Niagara Falls, N. Y.**—John A. Latosi, agency supervisor at Buffalo for Equitable Society, spoke at the September meeting.

**Kalamazoo, Mich.**—Mayor Paul H. Todd spoke at the annual recognition dinner. National quality awards were presented.

**THOMAS A. WRIGHT**, 54, New England Mutual Life, San Jose, Cal., died after a lengthy illness. He had been with New England Mutual for 10 years, but had been inactive for the past year.

### Further War Clause Actions Are Listed

Capitol Life—Results type clause for service and reserve personnel.

Jefferson Standard—War-aviation clause for paratroopers, members of airborne units, submarine service, air force on flying status, and air force mechanics, radio or communications service; West Point, coast guard academy and marine academy cadets, Annapolis midshipmen and officers within two years after graduation from these institutions; members of the armed services subject to actual or potential extra aviation hazard; on amounts in excess of \$5,000 issued to commissioned officers, and the first three grades of enlisted men, who are not in the preceding classifications; on amounts over \$10,000 issued to males ages 15 to 26 having no military connections with the armed forces, national guard or reserves, members of the national guard (except pilots or crew members) and members of the reserves (except pilot or crew members and members of the submarine service); war-aviation clause for members of the national guard, or reserves, who are pilots or crew members. Only ordinary life and higher premium forms will be issued to any of the preceding classifications. The company will not issue insurance

to members of the armed forces who have been alerted for duty outside the home area or to enlisted members of the armed forces in the four lowest pay grades.

Pacific Mutual Life—No war clause. Travelers—No war clause.

### New Book on Estate Planning

Prof. William J. Bowe of Vanderbilt University, whose book on "Tax Planning for Estates" has sold into the third edition, has announced release about Nov. 1 of a second volume, "Life Insurance and Estate Tax Planning," Wallace N. Watson of Estate Planning Corp., who writes the foreword, states that the two chapters in the new book devoted to business life insurance offer "a new approach that should eliminate much of the uncertainty and confusion generally felt in the field of survivor-purchaser agreements."

### "Working Girl" Fashions

"Miss Working Girl, 1950" was the theme of a fashion show held in the employe clubrooms of Mutual Life. The fashions were modeled by members of Mutual Life Assn., employe group, and designed for the career girl seeking style and flexibility at a budget price.

NUMBER TWO In a series of advertisements outlining advantages enjoyed by field underwriters of the Equitable Life of Iowa

## TRAINED FOR SUCCESS

Field underwriters of the Equitable Life of Iowa are expertly trained. New associates are enrolled in a combined study and field project known as the Basic Training Course. The next step in the training process is attendance at a Home Office School. Then follow two Intermediate Training Courses featuring estate plans, business insurance fundamentals and programming. Cooperation is given eligible associates in their attainment of the Chartered Life Underwriter designation. Continuous personal supervision is given to the training progress of all recruits.

**EQUITABLE**  
Life Insurance Company  
OF IOWA



FOUNDED IN 1867 IN DES MOINES

## "Today, we bought Freedom for our Son."

"He'll never have to support *us*. He'll start life with no responsibilities—except the ones he chooses for himself. And we'll be free, too, to live our own lives in a place of our own choosing. Now that we've added a retirement plan to our life insurance program we can say that today we bought freedom—for our son and ourselves."



Of all the things that salesmen sell . . . none is more needed or welcomed than financial freedom—the true end-product of life insurance.

**ÆTNA LIFE INSURANCE COMPANY**

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# War Problems Hike ALC Attendance

## Hay Outspoken on Need to Reform Recruiting Tactics

### ALC Chief Says Patriotism and Economics Demand End of Wasteful Practices

The responsibility of life insurance company management to select carefully

and train company personnel, particularly field forces, is unusually acute today, S. J. Hay, president of the American Life Convention, declared at the A.L.C. annual meeting at the Edgewater Beach hotel, Chicago, Wednesday.

Mr. Hay, who is president of Great National Life, pointed out that the country's human resources are its most valuable asset and that conservation of manpower at a time when the American way of political and economic life is being threatened is essential not only in the interest of company economy but from the standpoint of patriotism.

#### Must Conserve Manpower

"It is our job," he declared, "not only to draw from the nation's stockpile the minimum number of workers necessary to provide essential service, but as never before it is our responsibility and obligation to properly evaluate the capacities of every individual we hire and utilize his services in such a manner that he may make his maximum contribution to our business—and through it to our national economy."

In pointing out means of meeting this responsibility, Mr. Hay said: "It seems to me that it is necessary for us to make increasing use of labor-saving machinery in our routine, mechanical operations, not only to conserve manpower, but for purposes of economy as well."

"Nowhere in our business is it so important to assemble and to plan wisely for the most efficient use of manpower as in our field organization," he said. "There we must have a superior quality of manpower—creative power—manpower at its best. We just simply cannot continue to indulge in some of the wasteful field practices resorted to by so many companies."

Mr. Hay explained that for many years prior to the last war, insurance companies talked about eliminating the unfit and unqualified agents and that while many companies took steps to fulfill this objective, others did nothing. It took a world war which caused many unqualified agents who did not go into the armed forces to leave company employment for more lucrative positions, to correct the situation. The result was that toward the end of the war and for a time thereafter companies had an actual shortage of agents.

"As demobilization progressed," said Mr. Hay, "we saw management in all too many cases fall back into the same old practices which have hurt this wonderful business of ours for too long already."

"I feel very strongly about this whole

(CONTINUED ON PAGE 36)



S. J. Hay

## How Delivery of Policy Affects Inception of Risk

In his discussion of the delivery of life insurance policies as affecting the inception of risk at the Legal Section of American Life Convention at Chicago, L. C. Carlton, Richmond, counsel Life of Virginia, emphasized the importance of placing the exact conditions as to delivery, payment of premium and other items affecting insurance being in force in the application itself. This should also contain proper notice to the prospective insured of the limitations on the authority of the soliciting agent.

At the opening of his talk, Mr. Carlton cited an actual pending case as an example of the perplexing situations which arise in what he called "the business of making contracts upon the flickering flame of man's uncertain rights." In this case, the agent—although the insurance company is now insisting he was a "salesman" or "independent contractor"—drove his prospect to the doctor's office for his medical examination and after this was involved in an accident in which the applicant was killed. The prospect's estate is suing the insurer, not only under the alleged life insurance contract, but also for damages on the grounds of alleged negligence of the producer.

In the absence of binding receipts, Mr. Carlton said, most application forms of life companies provide, on a reasonably uniform basis, that the risk shall not commence until (1) the application is approved at the home office, (2) the policy is issued, (3) the policy is delivered, (4) the first premium is paid and (5) the applicant is in good health at the time. Most cases involve whether delivery has been actually made and Mr. Carlton said companies must face the fact that any questions raised by the prospect as to when protection will commence will be answered liberally by the agent, who naturally is inclined to give the applicant the benefit of the doubt.

#### What Is Delivery?

The general law is that physical or manual delivery to the prospect or actual possession by him is not absolutely necessary. Policies have been held le-

(CONTINUED ON PAGE 35)

## Life Financial Officers and Inflation Threat

Life insurance financial officers cannot be expected to go against their policyholders' interests and compensate for a basically faulty decision made by the monetary and fiscal authorities, Oliver M. Whipple, financial vice-president of Mutual Life, told the American Life Convention Financial Section.

"Several years ago," Mr. Whipple said, "a number of us believed that it was sheer economic folly for the monetary authorities to hold interest rates down in the face of rising inflationary pressures, and we said so. Our views were not accepted. Since they were not, it was contrary to common sense to expect us to refrain from maximizing the net return available for our policyholders, even though this entailed sales of lower yielding government obligations to the federal reserve."

#### Cut Government Spending

"Let us not," Whipple declared, "make the mistake of speaking too softly again. Let's really speak out loud to the federal government about inflation prevention. Let's insist that non-essential government expenditures be curtailed, that the war effort be financed through taxation and savings to the fullest extent possible."

"But at the same time let's urge that the federal government, particularly when it raises taxes, and if it utilizes direct controls, pay more attention to how production is increased and efficiencies realized. Let's help to make it clear that this economy of ours can, if the accelerator is pushed down and the brakes taken off, so far outproduce our possible enemies in the world that no one would dare to attack us."

The atmosphere in which life insurance investment officers have been living since the end of the last war has con-

(CONTINUED ON PAGE 35)



O. M. Whipple

## Woods President; White, Skoglund To Executive Group

### Inflation, Military Restrictions Are Main Matters Considered

By ROBERT B. MITCHELL

War-bred problems brought an unusually heavy attendance to the American Life Convention annual meeting at the Edgewater Beach hotel, Chicago. By the end of the first general session Wednesday more than 700 had registered. In addition, more than 100 wives were present.

War clauses, of course, were the most widely discussed topic but nobody was regarding them as a major headache. It was something that had to be dealt with but no one had any doubt that adequate answers would be found as they became necessary. In fact, the nearest thing to concern about war clauses was that some companies would figure that the emergency was over and begin to relax their restrictions unwarrantedly.

A deeper and less easily allayed cause of concern was the threat of

#### OFFICERS ELECTED

President—Cecil Woods, president Volunteer State Life.

#### Executive Committee:

New members — George Avery White, president State Mutual Life (three years); H. P. Skoglund, president North American Life & Casualty (one year to fill out unexpired term of Mr. Woods).

Members reelected — Robert E. Henley, president Life of Virginia; T. A. Sick, president Security Mutual Life of Nebraska; O. J. Lacy, president and general manager California-Western States Life.

Holdover members—F. W. Hubbell, president Equitable Life of Iowa; R. R. Lounsbury, president Banks National Life; F. B. Wilde, president and general manager Great-West Life; R. E. Sweeney, president State Life of Indiana; F. P. Samford, president Liberty National; Richard Boissard, president National Guardian.

Members ex-officio — W. E. Bixby, president Kansas City Life, and S. J. Hay, president Great National Life, the two most recent past presidents.

## NEW AND RETIRING A.L.C. PRESIDENTS



Cecil Woods, left, president of Volunteer State Life and new president of American Life Convention, receives congratulations of the retiring president, S. J. Hay, president of Great National Life.

further and much more drastic inflation. Nobody was concerned about the companies' ability to pay off the number of dollars called for in their contracts but the executives are considerably troubled about what the money will be worth when it is paid, if present inflationary influences are not counteracted.

One factor that may be contributing to the unusually large attendance is a possible underlying feeling that if the war situation grows drastically worse this may be the last A.L.C. meeting that can be held for several years at least.

The first general session Wednesday had as non-A.L.C. speakers the president of the National Assn. of Insurance Commissioners and John D. Moynahan, Metropolitan Life, Chicago, newly

(CONTINUED ON PAGE 36)

# Lawyers Hold Concentrated Session

## Legal Section Elects McHaney and R. D. Taylor

Compresses Program,  
Eliminates Wednesday  
P.M. World Series Conflict

By an almost unanimous vote taken at the opening session, it was decided to hold all of the meetings of the Legal Section on Tuesday instead of having a third gathering Wednesday afternoon as scheduled in the program. This resulted in two long but meaty sessions, and avoided a Wednesday afternoon competition with the world series broadcast.

Frank E. Spain, Liberty National, presided as chairman of the Legal Section. He provided a knowing experienced guidance, eliminated waste motion, and in various ways proved to be an excellent presiding officer.

L. C. Carlton, Life of Virginia, was the initial speaker. He read a paper on "The Delivery of Life Insurance Policies As It Affects the Inception of

—A Survey of the Development and Enforcement—1900-1950."

The election of R. D. Taylor, Sun Life Canada, to the secretaryship of the Legal Section of American Life Convention means that when the A.L.C. meets in Toronto next year Mr. Taylor will be named chairman. It is the fixed custom to advance the secretary to the office of chairman.

S. J. Hay, president Great National and this year's chief officer of American Life Convention, opened the afternoon meeting with some official words of greeting, and S. S. Goldman, Pan-American Life, in his paper, "Some Phases of Oil and Gas Law," discussed a subject not considered at previous gatherings of the Legal Section. In the southwest, life companies through foreclosure and otherwise, have acquired property upon which oil and gas has been discovered, and what Mr. Goldman had to say about the sale and development of such real estate, leases, retention of mineral rights, etc., was followed with interest. Mr. Goldman spoke as much as possible in non-legal terms and with humor.

Virgil D. Parish, Union Central, commented on some of the experiences of

Morrison, National Fidelity; O. F. Graham, Paul Revere, and Thomas Leeming, Franklin; memorial resolutions—F. J. Wright, Midland Mutual; Dwight Brooke, Bankers of Iowa, and J. D. Frank, Lincoln National.

### OFFICERS ELECTED

Chairman—Powell B. McHaney, executive vice-president and general counsel, General American.

Secretary—R. D. Taylor, wage counselor, general counsel, Sun Life, Canada.

Risk." He cited several unusual and even strange court decisions, many unfavorable to life companies, having to do with delay in the delivery of new policies.

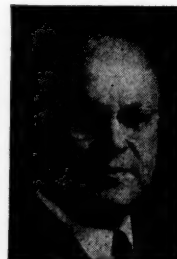
George L. Gordon, Business Men's Assurance, read a comprehensive paper entitled, "The Anti-Discrimination Laws



Ralph R. Lounsbury, president of Bankers National Life, and Ralph H. Kastner, associate general counsel of A.L.C.

### Chouinard Joins A.L.C. Staff to Handle Publicity

Carroll Chouinard has joined the staff of the American Life Convention to handle publicity. He was formerly with the Chicago Assn. of Commerce & Industry. He has been in public relations work in Chicago for about 10 years and before that was on the staff of the Milwaukee Journal.



F. E. Spain



P. B. McHaney

his company with oil properties and propounded a few questions, as did Allen C. Steere, Lincoln National, and Webster Atwell, Great National. Mr. Atwell exhibited an extensive knowledge of the Texas laws in this question.

Ralph H. Kastner, associate general counsel American Life Convention, gave a review of legislation and litigation in 1950. He characterized as the outstanding Congressional action the revision of the income tax status of life companies, and the revision and broadening of the social security law.

A symposium on life insurance and estate planning was conducted by John J. Magovern, Jr., Mutual Benefit Life, and Irving T. F. Ring, State Mutual, as the concluding feature of the scheduled program.

The following Legal Section committees were appointed: Nominating—E. R.

Claris Adams, president of Ohio State Life and a former president of the A.L.C. was the guest speaker on the "Northerners" program Tuesday evening broadcast over stations WGN and WGNB, Chicago. These programs are sponsored by the Northern Trust Co. of Chicago.

President Howard Holderness and First Vice-president Joseph M. Bryan of Jefferson Standard Life, stopped en route to the A.L.C. meeting to see the Notre Dame-North Carolina football game at South Bend.

Tom Leeming of Chicago, associate general counsel of Franklin Life, was host to the Legal Section at a cocktail party Tuesday.

General Counsel James B. Hallett of the National Assn. of Life Underwriters was on hand for the A.L.C. meeting and sat in on the Legal Section sessions.

NOT THE **BIGGEST**

NOT THE SMALLEST

NOT THE **Oldest**

NOT THE YOUNGEST

NOT THE **HIGHEST**

NOT THE LOWEST



Just a good life  
insurance company to  
insure with or work for



*Kentucky Home Mutual  
Life Insurance Company*  
LOUISVILLE 2 \ \ \ \ KENTUCKY  
ELLSWORTH REGENSTEIN, President



I. J. Maguire and W. L. Baldwin of Security L. & A.; R. E. Irish, president Union Mutual Life; and L. C. Baldwin, Security L. & A., at the A.L.C. meeting.



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- Originator and world's largest underwriter of school student accident insurance
- Unusual opportunities for General Agents and Agents in certain areas west of the Mississippi River. We cordially invite you to write us

## Security LIFE AND ACCIDENT COMPANY

W. Lee Baldwin, President



Home Office  
Denver 2, Colorado

## Gordon Reviews Anti-Discrimination Law Problems

An exhaustive review of the many specific problems raised by anti-discrimination laws was given at the Legal Section by G. L. Gordon, Kansas City, general counsel Business Men's Assurance. It was the first time this subject had been considered by this group.



G. L. Gordon

Situations adjudicated so far, Mr. Gordon said, either by court decision or by rulings of state supervisory officials or attorneys general have been on the anti-discrimination laws of most states, which are reasonably uniform. Since the Southeastern Underwriters Assn. decision of the U. S. Supreme Court in 1944 and the enactment of public law 15, about 25 states have passed fairly uniform unfair trade practices acts. The prohibitions of discrimination and rebating in these acts are largely repetitions of existing statutes applying to life insurance companies, but they give the commissioner broad powers of investigation and prohibition and may eventually result in important litigation.

### Scope of Laws

The older laws, Mr. Gordon said, prohibit making any distinction or discrimination between insured of the same class and equal expectation of life in regard to premiums, dividends, benefits, or any other terms of the policy and also prohibit giving or offering to give any rebate or endowment not specified in the policy. A number of states specifically authorize paying bonuses or abating premiums to holders of non-participating policies out of accumulated surplus, returning to industrial policyholders who have made premium payments for one year the percentage of the weekly premium which the company would have paid for collection and making rate concessions where a minimum number of persons pay their premiums through their employer. In addition, seven states—Connecticut, Michigan, Minnesota, New Jersey, New York, Massachusetts, and Ohio, specifically prohibit discrimination between Caucasians and Negroes.

Turning to specific problems, Mr. Gordon said that the courts generally have held that an insurer cannot avoid paying discriminatory benefits where they were issued through a clerical error, without connivance or deceit on the part of the insured. For example he cited a case in which the company had neglected to attach a graded death benefit rider on a policy covering an infant, as was provided in its rule book, and the beneficiary was permitted to recover. There was a similar case where



J. R. Wood, president Southwestern Life, and Webster Atwell, general counsel of Great National.

## HERE'S SOMETHING IT'S ALL RIGHT TO HOARD

Here's something people can hoard all they want. It's Life Insurance,—and the more Life Insurance they buy and "hoard", the better it will be for everybody, because Life Insurance is a deadly enemy of inflation.

Furthermore, there's no scarcity of this great service that is Life Insurance. Now, as always, it stands ready to help people in planning their own security against the hazards of today and the uncertainty of tomorrow.

## The NATIONAL LIFE AND ACCIDENT Insurance Company, Inc.

HOME OFFICE  
NASHVILLE  
NATIONAL BLDG.  
TENNESSEE



but they're in close agreement  
in praise of this plus earnings feature!

## GENERAL AMERICAN LIFE'S CONTINUOUS RENEWAL COMMISSION

This is a plus commission that begins in a Life policy's 11th year and is a feature of all full-time agency contracts with the General American Life and is paid on quality business produced under contract requirements. Thus, our full-time contracts reward our men for continuous years of service. This extra earnings feature is one of many reasons why Messrs. Rickert, Brown and Sale say, "You're always in business at General American Life."



People Like  
the N.A.L.U.

YES, people like the N.A.L.U., because of its constructive services and continued emphasis on *quality*—quality underwriting, quality business, quality service—which have brought so many advancements to the profession.

People like Indianapolis Life, too. Agents like the thorough training they receive, and the lifetime service fees and the pension plan that assures them security.

Policyholders like the fact that they enjoy the greatest safety (assets of \$63,000,000 in *quality* investments)—the greatest economy (a complete line of low-cost *quality* policies from which to choose)—and the utmost in *quality* service.

**INDIANAPOLIS LIFE**  
INSURANCE COMPANY  
Mutual—Established 1905  
INDIANAPOLIS 7, INDIANA

a larger disability benefit than intended was mistakenly included in the policy. Where, however, the insured knew that the cash surrender value was larger than it should have been, recovery was restricted to the correct amount.

Some early cases held that an insurance company could not distinguish between insured policy loans and those without them in options available where the premium is in default, but some later decisions have held this to be non-discriminatory. A number of cases, mostly old, have held that appointing an insured a member of a special class if he purchases insurance is discriminatory and void. Most of these cases involved appointing prospective insured as "inspectors" with rather vague duties as to furnishing information or prospects to the insurer or agent. Provision for adjustment of premium or benefit where the age of the insured can be shown to have been misstated have generally been upheld.

### Loans and Premium Notes

Mr. Gordon devoted considerable time to loans and premium notes. Where an agent accepts a note that promises the prospect that he will secure the loan from the company, this has usually been held discriminatory. Accepting non-interest bearing notes has been upheld in some jurisdictions where the note is due not later than 60 days after the effective date of the policy, while some states have held that an agent taking a note for the first premium must charge interest at the same rate the company would charge on a deferred premium. Although rebating is illegal as to the company and the agent, policies have usually been held to be in force as to the insured where the premium has been remitted by the agent.

There is a difference among the states as to salary savings plans under which less than the per-monthly premium is charged employees who pay the premium monthly through their employers. A recent American Life Convention survey indicated that 90 out of 122 companies wrote insurance under the salary savings plan, 36 using a different fraction of the annual premium for salary saving business and for regular monthly premium business, 30 charging 1/12th of the annual premium on such policies. Some states specifically authorize this by statutes, subject to the number of employees being a prescribed minimum—usually 25—some have upheld it as a legitimate separate class, because the expense of collection to the insurer is reduced, but there have been some contrary rulings and in Nebraska the subject is still pending before the insurance department.

Rating of the insured above his actual age, because of physical impairment,

has been universally upheld. Likewise, pre-dating of policies to write insurance as of a lower age has been held in compliance with the law, if the insured actually pays a premium from the date shown on the policy. Mr. Gordon also cited a number of miscellaneous practices, most of which have been the subject of rulings only and not court decisions. Among the practices which have been ruled discriminatory are agreements to take goods instead of cash for the premium, requiring greater evidence of insurability from applicants for reinstatement than from new applicants, offering of merchandise premiums for advertising and securing prospects, combining life insurance with stock subscriptions, requiring insurance as a condition for obtaining a loan through an agent who also operates a loan agency and paying legal fees for a corporation establishing a pension trust plan.

## Urges Life Companies and Banks Cooperate on Small Business Loan Problems

A proposal that banks and insurance companies, through their national organizations establish jointly a commission to study means of meeting the financial problems of small business was made by Walter R. Bimson, president of Valley National Bank of Phoenix, at the A.L.C. general session. Mr. Bimson said that the ideas in the small business loan act proposed by the government have aroused considerable opposition from the bankers, insurance companies and other business men. This opposition is not so much because of the basic unsoundness of the proposal as because they involve dependence on the government for their inauguration. Mr. Bimson declared, and the idea of more government encroachment in the lending field is not desirable.

### Through Private Capital

However, he observed that the government's proposals cannot be brushed off without a counter offering. He suggested a commission to study means of meeting the problem without the aid of government capital guarantees, even using the pattern of the small business act, but with private capital.

The initial investment would require probably about \$60 million to be contributed jointly by banks and insurance companies. Laws permitting banks and insurance companies to invest a small portion of their funds in such enterprises could be obtained, Mr. Bimson predicted, and many men in Congress would welcome such a solution of the problem.



R. B. Richardson, president Western Life; J. Howard Oden, president North American Reassurance; H. W. Brower, executive vice-president Occidental of California at the A.L.C. meeting.



## Part Life Insurance Counsel Can Play in Estate Planning Work Reviewed

Life insurance is the most satisfactory answer to the needs and wants of estate planning and building, John J. Magovern, Jr., associate counsel of Mutual Benefit, and Irving T. F. Ring, vice-president and general counsel of State Mutual Life, told the Legal Section of A.L.C.

They participated in a joint discussion which covered the applications of life insurance in estate planning work and the role of the life insurance counsel in assisting and processing life insurance coverage for estate plans.

Mr. Magovern emphasized that the ultimate responsibility for estate planning must rest with the client's own attorney and not with the life agent, the tax specialist or anyone else. Yet he declared that the place of the life salesman in estate planning should by no means be drastically curtailed so as to make him a mere "peddler" of insurance. The agent's special qualifications, Mr. Magovern said, make him capable of rendering a much broader service to prospective clients and are an integral part of the product which he sells.

### Tax Savings Not First Aim

Estate planning should not be confused with "tax saving," he declared. Possible tax savings are an important consideration in these days of high taxes but should not dictate the provisions for distributing insurance proceeds. The ultimate objective is to meet the needs of the beneficiary and not eliminate taxation; "everything," he declared, "has its cost."

"Personal retirement income for one having available income producing property must be acquired as income rather than property. It may be available either

through an individually purchased contract or through the medium of a deferred compensation agreement entered into by the individual with his employer. Notwithstanding the dire forebodings of the treasury department as to restrictive regulations in many instances of individual employment agreements, the deferred compensation approach, funded by life insurance, is available and attractive. Any such plan must be premised upon a carefully drawn employment agreement which honestly recognizes the contingencies of the situation and the ultimate result to be achieved not only for the employee but stability of employment for the employer.

"In the individually purchased contract



Holgar J. Johnson, president Institute of Life Insurance, and O. J. Lacey, president California-Western States Life.



A. N. Guertin, secretary of A.L.C.; Claris Adams, president Ohio State Life, and W. E. Bixby, president Kansas City Life.

field, there are, of course, both the annuity and the life insurance policy available. We are all familiar with the present limited income available under annuity contracts and the adverse method of computing income for tax purposes under current law. These elements seem to me to dictate that the wiser method of acquiring an attractive retirement income is through the medium of an endowment or a high premium life insurance policy.

"The flexibility of a life insurance program is no better displayed than in the retirement picture. Note particularly the liberality of most companies in permitting changes in the type of life coverage so that as the individual progresses in his economic life, the policy itself may be converted to meet these changing needs with advantageous savings. Also, present rules governing the taxation of income from policies which are surrendered or mature during lifetime for the purpose of obtaining income, are likewise beneficial when considered in the light of available settlement options."

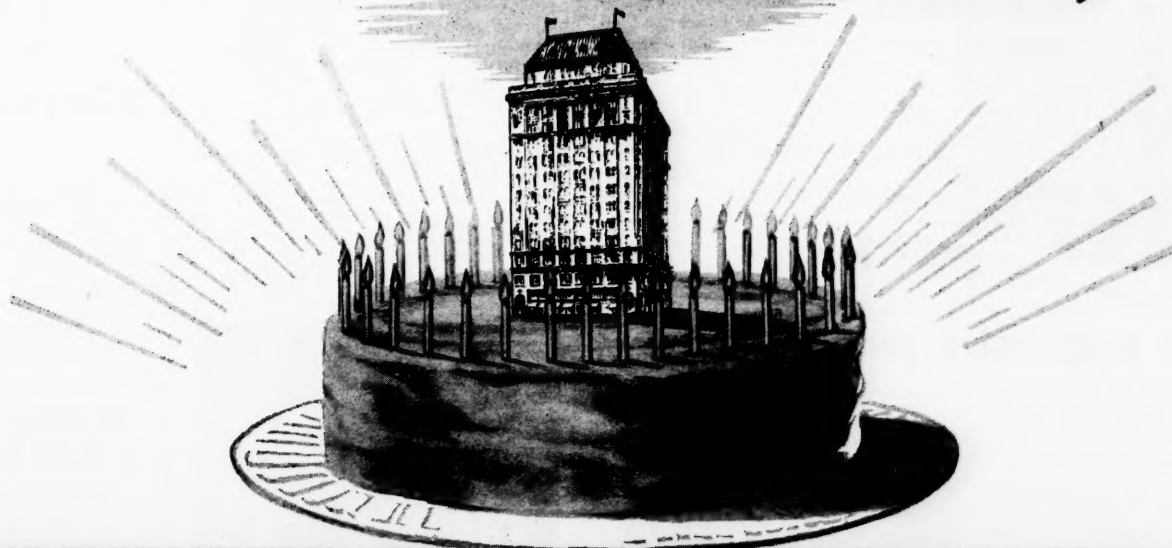
In using estate planning to provide for family protection, charitable purposes

and for protection of business, Mr. Magovern said that only through life insurance is it possible for the beneficiary to draw upon guaranteed sums for necessary payments after death and to have an immediate investment of all excess in guaranteed income.

"Despite these many important and favorable factors," Magovern declared, "one must realize that there may be circumstances in particular cases which require a degree of discretion that cannot be found in the life insurance settlement option, for a life insurance company must be factual in the presentation and administration of its contract. It is not a trustee and is not, therefore, free to determine elements of personal behavior. In such cases, the creation of a trust appears to be the most logical and best answer. If its purposes be testamentary, the desirability of the creation of an immediate estate or trust through the medium of life insurance cannot be gainsaid."

The role of a life insurance company's legal department in helping the life insurance agent present estate plans was emphasized in Mr. Ring's part of the discussion. Unless this role is fulfilled,

# ...we're Forty in 'Fifty!



## CALIFORNIA-WESTERN STATES LIFE INSURANCE COMPANY

"A Company of CAREER Underwriters"

Home Office: Sacramento

he said, life insurance counsel cannot be a vital force in the sale of their company's product.

"We are too apt to think of law department service," Mr. Ring said, "only in relation to estates having an estate tax problem. Remember that Randolph Paul wrote in 1947 that the estate tax then touched only about 1% of those who die in adult age. With marital deduction it is less today. Thus, in a city of some 150,000 adults we would expect to find only some 1,500 who are concerned with the estate tax. This means that a large amount of estate planning has nothing to do with the estate tax. In these cases the problem usually comes down to making the best use of insurance proceeds to be paid as income under option settlements or trusts.

#### Simplest Planned Estate

"The simplest planned estate is one where a man lists down before him his assets and then his estate needs. The estate needs require income for the individual in his retirement years or for his dependents if he meets an early death. The need for income immediately brings in life insurance paid under option settlements. The law department of a life insurance company draws the beneficiaries income agreement placed on policies already written, but it should also prepare outlines and develop varying applications of 'proceeds paid as in-

come' agreements to the needs that may arise in individual cases and then, when working with the agent on a prospective case, fit the policy proceeds into the plan developed for that particular estate.

"The aggressive law department will draft from time to time special income arrangements as general economic developments offer opportunity for new application of life insurance to family needs. For example, the 'social security' approach has been successfully used by many agents to produce an over-all large volume of business. Through the use of income provisions in the so-called 'social security option,' the amount of insurance proceeds received from year to year by the beneficiary may fluctuate up and down as social security benefits vary in order that a stable income may be had, and this is all within the strict requirement pursued by most of us that no discretion shall be exercised by the insurance company—that in no instance shall it act as trustee.

#### Discuss Cases With Agent

"To discuss estate planning cases with the agent and to offer suggestions is a proper function of a company's law department," Mr. Ring said. "The well-equipped law department should have a simple estate analysis form. On one page would be printed the form upon which the prospective policyholder would give his own age and that of the num-



F. D. Russell, president of Security Life of Binghamton, N. Y.; Robert L. Hogg, executive vice president of A.L.C.; and Raymond A. Burke, vice-president North American Reassurance.

ber of heirs listed under his will, together with each one's share of his estate, the extent of his real estate holdings, whether or not they are community property, the amount of his life insurance, by whom owned, by whom the premiums are paid and amount, if any, transferred by gift and when. Also, the amount of his stocks and bonds, value of his own business, and the nature of its organization. From this, the law department will compute the present tax and will then review and write out in some detail the possibilities of asset readjustment. The fourth page then carries a recomputed tax liability on the basis of the recommended asset readjustment.

#### Key Law to Production

"Our law departments will grow in stature in the institution of life insurance," Mr. Ring said, "if properly keyed to production needs. We will work with our agents and prospective policyholders' attorneys in drafting provisions, revising and discussing the requirements of all forms of business insurance, if we are being positive and are promoting the business for which we were organized."

### Insurance Vital to Character, Says University Head

Life insurance is more than a business, it is an important sector of our national economy as a whole and "an essential factor of every individual's safe program," said Dr. Francis P. Gaines, president of Washington and Lee University, at Thursday's general session of the American Life Convention in Chicago.

"Insurance is more than fulfillment of inexorable spiritual law, phrased in startling and almost violent terms by Paul the Apostle: 'If any provide not for his own, he hath denied the faith and is worse than an infidel,'" he said.

Dr. Gaines declared that insurance is

a significant agency for the development of character.

"It is character in positive demands, character of the triumphant affirmations, to which we refer now and not character in stubborn resistances to evil," he said.

Insurance, he said, signifies slow but persistent fidelity to a declared commitment. It is a rewarding loyalty to high purpose.

"You who have the happiness of working in this field carry heavy responsibilities, from the safe and attractive schedule of protection for an individual to the trustworthiness of management for great funds," said Dr. Gaines. "But you have privilege, too, something of an almost divine privilege. You are helping to build one by one the characters that give greatest assurance to personal lives and in cumulative strength offer the only foundation for our hope."

Employees of Provident Mutual Life held their annual hobby and flower show at the home office. Marion M. Tuckey was general chairman.



"Life insurance, by its very nature, is opposed to the slackness, levelling and impoverishment of state collectivism, because life insurance is accomplishing directly opposite results by fostering diligence, progress and enrichment through individual enterprise. The representatives of life insurance, not only serve the spirit of free enterprise, but they powerfully cultivate it every day. Life insurance upholds the view that the provision a citizen makes for himself is best for him and best for his country."

*Raymond A. Burke*  
President

## Forty-four progressive years in the west

In Standard's lifetime the West has seen its greatest rush of progress, progress in which this company has been able to share. As the pioneer mutual life insurance company west of the Rocky Mountains, Standard has aided the growth of its territory, always maintaining a position

of leadership through pioneering in the insurance field. Since establishment in 1906 its progressive policies and definite objectives of management have made it one of the strongest life insurance companies in the nation.



**STANDARD INSURANCE**  
Company  
ESTABLISHED 1906 HOME OFFICE  
PORTLAND, OREGON  
A WESTERN COMPANY OWNED BY ITS POLICYOWNERS



Leroy A. Lincoln, president of Metropolitan Life and Harry R. Wilson, vice-president American United.

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LIFE  
INSURANCE COMPANY**

**Writing the Best in  
Life Insurance**

Home Office: Rockford, Illinois

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vice-president  
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President N.

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# Agency Men Get Briefing on Market

## Hanselman Heads Section; Jenkins Is New Secretary

### Four Speakers Discuss Ways of Realizing Sales Opportunities

With the stage set by a masterful exposition of the market for life insurance and the factors bearing on the national economy, the Agency Section of the American Life Convention heard talks from the viewpoints of the field and management and wound up with a challenging talk on what should be done to make the most of the opportunities that lie ahead.

J. A. McAllister, vice-president and director of agencies of Sun Life of Canada, presided as section chairman and introduced S. J. Hay, president of Great National and of A.L.C., for a message of welcome. Mr. Hay mentioned that with business so good there is some tendency not to think enough about the future. Arno H. Johnson, vice-president and director of media research of the J.



W. F. Hanselman

#### OFFICERS ELECTED

Chairman—Wendell F. Hanselman, vice-president Union Central Life.  
Secretary—W. R. Jenkins, vice-president Northwestern National Life.

Walter Thompson advertising agency of New York City, gave a comprehensive and well documented survey of conditions bearing on the future of life insurance production. He illustrated his talk with diagrams projected on a screen. There were numerous requests for copies of his address.

Charles W. Campbell, manager at Newark for Prudential, spoke on the field man's viewpoint and Harry J. Stewart, president of West Coast Life discussed management's responsibility. E. B. Stevenson, Jr., executive vice-president of National Life & Accident, summed up the messages of the other speakers and added a challenge on the responsibility of management for making the most of the market.

## Watch Quality of Business Not Sales

Life company management needs to "change its thinking" regarding production results and apply more attention to developing the quality of business, Harry J. Stewart, president of West Coast Life, said in his address at the American Life Convention. He declared that the salesman is the key man to the production problems that lie ahead.

Admitting the favorable present sales market and granting that management had done a laudable work in improving the selection, education and training of agents, Mr. Stewart recounted shortcomings which he indicated management must face and correct. He pointed out

that three out of four men entering life insurance selling are no longer in the business at the end of three years; even though population has been increasing steadily, the number of buyers of new ordinary policies has been declining each year; the amount of life insurance owned has not kept pace with the increase in incomes nor with the decline in the purchasing power of the dollar, and there is an evident need and desire for increased compensation for the man in the field.

He attributed these trends to a failure on the part of management to continue to define clearly for the agent his responsibility to the public and to his company and to implement the clarification with intensive direction of his work at the field level. "The agent today is not giving as many people an opportunity to buy as he did a few years ago," he said. "Fifteen years ago the agent was told 15 people a week had to be given an opportunity to buy if he was to succeed in life insurance selling. The figures at that time also

indicated that he could expect about one sale for every 10 people interviewed and the amount of the average sale would be about 1/3 what it is today. Records based on more than 5,000 man weeks show that the average full-time man with West Coast Life is giving about five people a week an opportunity to buy and he is securing about one sale from every three or four people interviewed. The amount of the average sale is approximately double what it was five or six years ago and nearly three times what it was 15 years ago."

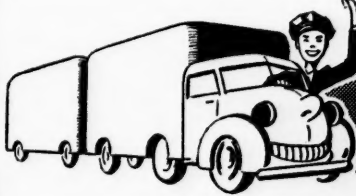
### Chicagoans Hear Johnson

The opinion of the public toward life insurance business depends not only on what the business does for American families but also on the activities and behavior of the individual life insurance agent, Holgar J. Johnson, president of the Institute of Life Insurance, told the Life Agency Managers of Chicago. Meeting in conjunction with American Life Convention annual. Managers were

told by Mr. Johnson that the attitude of the American public towards life insurance is very favorable and approving. He praised the life underwriter as one of the influences on the American public which has brought this about.

In addition to Carroll Chouinard, newly appointed publicity man for A.L.C., several others are also helping out with press duties. Among them are Dudley B. Martin, publicity director of the Institute of Life Insurance, Robert Hutchings of the J. W. Walter Thompson Co., which handles the Institute account, and David E. Barrett, St. Louis newspaper man and insurance trade paper correspondent.

The New York C.L.U. chapter will confer degrees on local graduates at a luncheon meeting Oct. 19 at Hotel Martinique. John H. Pitman, Connecticut General, president of the chapter, will preside. Speaker is S. S. Huebner, president of American College.



# Double

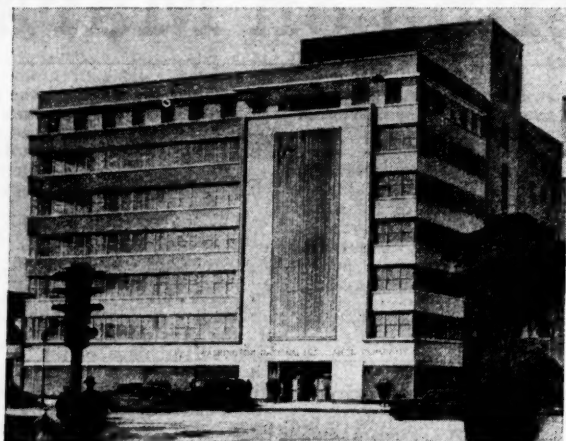
# security

By hooking on a trailer, a truck can carry a double load at very little extra cost. The same sort of economy is now available in life insurance through Great-West Life's new DOUBLE SECURITY Term Riders.

These riders double the amount of protection provided by regular plans of insurance during the years when protection is most needed.

DOUBLE SECURITY is a Great-West innovation in tune with many policyholders' and prospects' needs — especially fathers of young families.

*The*  
**GREAT-WEST LIFE**  
ASSURANCE COMPANY  
HEAD OFFICE - WINNIPEG, CANADA



## Welcome to the American Life Convention

Next year we want you to visit our new home office, now being built in Evanston. It will house a staff of 800, serving over 4,000 representatives in 46 states and the District of Columbia and over 2 million policyowners. Lines written: life, accident, health, hospital, group, franchise.

## WASHINGTON NATIONAL INSURANCE COMPANY

Executive Offices — Evanston, Illinois

H. R. KENDALL, Chairman

G. R. KENDALL, President

J. F. RAMEY, Exec. Vice Pres. and Secy.

## Why Life Insurance?



BECAUSE THERE IS NO GREATER GIFT  
A FATHER CAN LEAVE HIS CHILDREN  
THAN THEIR MOTHER'S TIME

**BENEFICIAL LIFE**  
INSURANCE COMPANY  
George Albert Smith, Pres.      Earl Lyle City, Vice

## Campbell Espouses New Sales Concept: "We Help You Buy"

A new sales concept based on service which can be properly marketed by the future professional salesmen of life insurance was presented by Charles W. Campbell, manager of Prudential at Newark, before the American Life Convention agency section, speaking on "The Field Man Looks Ahead." He said this concept should be: "We don't try to sell you, we just help you to buy," and that it will be based upon "Not telling what our product is but in describing what our product does."



C. W. Campbell

By means of this concept, Mr. Campbell said, "a carefully trained professional salesman will be able to serve his clients properly, placing only that amount of insurance specifically required to fill definite needs."

Stressing the growing trend toward the highly trained professional type of agent, Mr. Campbell said that it is believed that as soon as it is recognized that life companies are seeking such professional agents, more men of high caliber can be brought into the business. He referred to comparatively young men with some business experience and recent college graduates as two great sources of manpower for the professionally trained sales force.

### Views Future Optimistically

Mr. Campbell referred optimistically to the future market for life insurance and the opportunities it affords. He opined that the income of the American people will continue on a very high level and that while the spendable income will be affected by rising taxes, future production of life insurance should not be adversely affected. He added that if conditions should be sufficiently serious to cause taxes to rise very much higher, there will be increased restrictions on unnecessary spending. "This will provide unlimited funds for saving purposes," he continued, "and a great opportunity for life underwriters."

The increased benefits of social security under the new act are not generally viewed with alarm in agency circles, Mr. Campbell said. He admitted that certain life insurance markets will be affected, with the result that "sales methods must be modified and we must prospect upward."

He said he thought there will be special opportunities for sales among the 10 million new persons brought under the social security act. Those still uncovered, including doctors, lawyers and other professional persons, and those

who in the past have had programs prepared calling for increased insurance but, because they have been unable to provide the full benefits called for by the program, have refused to make an inadequate start.

"Every person now covered under the act can be shown the advisability of having his program reviewed and brought up to date. It is well recognized that each review will enable the agent to make many sound recommendations most of which will indicate a need for increased insurance protection. This is especially true under present inflated living costs."

## Companies Would Pay Tax for 1950 Even Though Law Hadn't Been Changed

Life companies of the U. S. will pay \$12 million income tax this year on business of 1949 and will pay about \$72 million in 1951 under the provisions of the revenue act of 1950 passed by congress and signed by the president 10 days ago, said Alfred N. Guertin, actuary of the American Life convention, at the A. L. C. annual meeting at Chicago.

Without new legislation, life companies would have had no taxes to pay on their 1949 business, as was the case for 1947 and 1948, but would have been taxed on 1950 business to the extent of probably \$25 million.

### Blasts Loophole Idea

Commenting on recent statements relative to the tax situation, Mr. Guertin said: "If we were the beneficiaries of 'loopholes' and 'exemptions,' as has been alleged, it is most unlikely that we would ever have become taxpayers under the old law again. What has happened is that, as defined in the 1943 law, taxable income was not received by the companies in sufficient amounts in 1947, 1948 and 1949 to produce taxes. Such income is now being received in sufficient amount that, even if the tax law had not been changed, we would resume our tax-paying status on the basis of 1950 business."

Since the revenue act of 1950 specifies a tax basis for 1949 and 1950, proposals will undoubtedly be made to Congress for the adoption of a new tax formula effective after this year. Guertin reviewed a number of the proposals which have been made at various times for a permanent plan and stated that all these would be considered by the joint committee on income taxation of life insurance companies.



W. B. Cozard, National Fidelity; F. L. Spain, president Liberty National and chairman of the A.L.C. Legal Section; and E. R. Morrison, National Fidelity.



## Stevenson Urges Security Programs for the Agent

E. B. Stevenson, executive vice-president of National Life & Accident, addressing the Tuesday general session, said there is still an extensive market for life insurance, but better selling is needed. To prepare the agents and aid them in tackling new markets, Mr. Stevenson urged that companies develop programs of security for the agents and their families.



E. B. Stevenson

"I believe there is a need for stabilizing the earnings of the agent," he said, "and to eliminate the peaks and valleys from his compensation."

The companies should make available a complete program of the so-called social benefits for agents, one which enables the agent to own all those desirable plans for security that he talks about to prospects every day, Mr. Stevenson added. Such a program should include first, a liberal amount of group life on which the company pays a part of the premium; it should also include some form of disability income protection; it should include a broad hospitalization program covering both the agent and the members of his family and finally, of course, it should provide a definite plan for retirement, with contributions to the plan made by the company on the most generous basis possible.

"That these things are possible is attested to by the fact that a number

of companies already have such plans in operation, and they are working," he said. "The success of these plans can leave very little doubt that every company will have such a plan before the future is very old."

"In such a program there can hardly be a place for part-time agents, nor for poorly selected or poorly trained agents. With better qualified management, and better selected and better trained agents, all working under better conditions as to compensation, security and permanence, the future and its opportunities to me look very bright."

### Bureau Governing Group

The new governing committee of Bureau of A. & H. Underwriters, named at its annual meeting last week, is composed of Aetna Life, Commercial Casualty, Connecticut General Life, Continental Casualty, Hartford Accident, Reliance Life, Royal-Liverpool group, Security Mutual Life, Standard Accident and Travelers.

W. E. Kipp, Indemnity of North America, is chairman of the committee.



Horace R. Smith, assistant superintendent of agencies, and Vincent B. Coffin, vice-president, both of Connecticut Mutual.

## KENTUCKY CENTRAL LIFE AND ACCIDENT INSURANCE COMPANY

Home Office: Anchorage, Kentucky



Over forty-eight years of service to policyowners.



District offices in all principal cities of Kentucky, Ohio, Indiana, West Virginia, Pennsylvania and Delaware.

## FREE ENTERPRISE =

# Freedom



Insurance is more than a business—it is the protector of free enterprise and freedom.

At Southland Life Insurance Company our business is dedicated to the protection of individuals—dedicated to freedom. For the man who owns adequate insurance is free... in life he can provide for his family and accumulate property, and in the event of death his life insurance will still protect his loved ones.

The Life Insurance Industry is an outstanding example of cooperative effort to provide Security for American families through SERVICE.

# Southland Life

INSURANCE COMPANY

W. C. McCORD, President

Home Office, DALLAS

"Serving Since 1908"

LIFE • ACCIDENT • HEALTH • HOSPITALIZATION

## Service In Depth

Good goods can and should come in small as well as in large packages. For over a half-century we have endeavored to service the life insurance needs of the small buyer with as much care and attention as those of the big-policy prospect.

Better-than-average sales and service commissions on Weekly Premium, Monthly Debit Ordinary and Regular Ordinary business encourage Home Life agents to achieve top-to-bottom development of their all-embracing market. And, considering the universal efficacy of life insurance, we think this is very much as it should be.

### THE HOME LIFE INSURANCE CO. OF AMERICA

DANIEL J. WALSH  
President

BERNARD L. CONNOR  
Executive Vice-President and Secretary

CARL H. ANDERSON  
Treasurer

Executive Offices: Philadelphia, Pa.



**MONARCH LIFE INSURANCE COMPANY**  
SPRINGFIELD · MASSACHUSETTS

## Hogg Outlines Growing Importance of Washington to Life Insurance Business

What goes on in Washington will become more and more important to American life insurance, Robert L. Hogg, A.L.C. executive vice-president, told the convention's opening general session at Edgewater Beach hotel, Chicago.

"There appear to be no serious threats of direct federal supervision over the mechanics of life insurance in immediate prospect," he said, "but the activities of the federal government have far-reaching consequences on the conduct of our business. Without direct control of the economics of life insurance, the purchasing power of beneficiary payments is controlled. Without regulation of sales, the distribution of life insurance is directed into certain channels. All this without any regulation, as we have commonly used that term in the past."

### Now Regulating the Business

"In a broad sense the federal government is now regulating the life insurance business. Companies, policyholders and beneficiaries are affected by this regulation more than by the overall operation of state laws. This type of regulation is increasing and I believe it is here to stay. It would be wishful thinking to speak of a reversal of the process. As our economic existence has changed with years and technical developments, so our government has changed. We are not alone in this. Every other business is undergoing a similar process."

As examples of how important Washington decisions and Washington legislation now are in the life insurance business, Mr. Hogg cited financial policies which have reduced the earning rate of insurance investments; the stop-gap tax legislation which became law two weeks ago; income tax regulations which affect income, gift and estate taxes; the field of social security, and many other areas.

### Obligation to Assist

"The field of social security has presented to the life insurance industry an opportunity to make available to the Congress the knowledge and experience it possesses on this subject," Mr. Hogg said. "Providing the individual with the opportunity to establish his own and his family's 'social' security has long been our business. We have wider experience in this field, extending over a greater period of time, than any other group in the country. We are vitally interested in social insurance and have felt an obligation to assist Congress so that such legislation should be workable, equitable, and place no greater

burden on the economy than necessary."

Mr. Hogg reviewed what the business has already done in this area. He mentioned the successful outcomes, for the business, of the Celler and O'Mahoney hearings, saying that "the representations made by the industry representatives were so frank and so informative that life insurance has gained in stature in Washington, in spite of the somewhat critical beginning" of one of the investigations.

Mr. Hogg's report also dealt with war clauses, gratuitous death benefits for those in the armed forces and the soldiers' and sailors' civil relief act, all of the provisions of which, he pointed out, including specifically the insurance protection provisions, are in full force.



R. L. HOGG

## American Service Bureau Processes Record Volume

Lee N. Parker, general manager American Service Bureau, inspection affiliate of American Life Convention, showed in his annual report to the A.L.C. convention that the bureau in 1950 is enjoying the largest volume of business by any standards of comparison for any year since it was organized in 1920.

March, May and August, 1950, were especially outstanding for the bureau, Mr. Parker said. The bureau is in the strongest financial position it has ever enjoyed. While bureau revenue has materially increased, Mr. Parker said, costs have kept right in stride or a bit ahead. Basic charges for services have not been changed and net return has reached an almost irreducible minimum which may necessitate small increases in charges in some cities, he declared.

### Competition for Personnel

He added that competition for personnel from other businesses is making it more difficult for the bureau to obtain and retain competent inspectors. Impact of service summons has been felt. Mr. Parker appealed to all member companies to make a full use of the excellent inspection services of the bureau, saying that 75% of revenue now comes from only 50% of the membership.

"That half the membership of A.L.C. gives token or no support to the bureau is due largely to thoughtlessness at the proper level of the value of competitive company-controlled influence in an important field of service," he concluded.



Presidents L. F. Lee of Occidental of North Carolina and Peninsular Life; Robert Henley of Life of Virginia and Frazar B. Wilde of Connecticut General.



## Life Insurance Buying Not Keeping Pace with Income Rise, Agency Section Told

By pre-war standards of family protection, the American public is now seriously underinsured, Arno H. Johnson, vice-president of the J. Walter Thompson advertising agency, New York City, told the Agency Section of American Life Convention.

Even the present level of real purchasing power of American families would indicate a need for about 60% more life insurance than at present to equal the prewar level of protection, Mr. Johnson said, for an expanding economy based on increased productivity can substantially expand this life insurance need in the next five years.

Expansion in the sales of life insurance now to a level more nearly approaching the prewar relationship to family income after taxes would in itself be a powerful influence in checking the danger of inflation, Mr. Johnson said. Few industries have such an opportunity

for expansion combined with real public service, he said.

With inflation under control, fuller utilization of the country's proven productive ability can assure an advancing real standard of living in America. An advance of at least one-third above present levels within the next five years is possible, raising disposable personal income to \$250 billion and the gross national product to \$330 billion, he said.

Mr. Johnson pointed out that when the U.S. entered the Korean war, business and production were at their highest peacetime level in history and with very good prospects for continued increases in the second half of 1950 and through 1951, a situation decidedly in contrast with the pessimistic predictions current in the fall of 1949 and the spring of 1950.

He said it is now clear that these high 1950 levels were not just due to

replenishing inventories after the unnecessary inventory scare of 1949 but rather to an upward surge in the standard of living that had been a latent possibility and opportunity ever since the second war proved that U.S. productive ability was far in excess of pre-war concepts of living standards and civilian consumption.

### Exceeded Earlier Concepts

"We have already gone far beyond what most economists or business men believed could be possible in the post-war period," he said. "Disposable personal income after taxes in 1950 will reach the annual rate of over \$200 billion. About \$78 billion of this is dissipated through inflation of prices over the prewar 1940 level and can not add to improvements in the standard of living. After correction for prices, however, the real purchasing power of the aggregate of American consumers in 1950 is 60% greater than in the highest pre-war year of 1940 and 7% over 1949."

Evidence that families moving up the income scale and enjoying an increased

real standard of living have not kept their life insurance protection in line, Mr. Johnson said, is afforded by the recent federal reserve board survey of consumer finances. Those moving into better income groups have tended to keep the life insurance habits of their former income group, rather than take on the life insurance habit of the group into which they have moved. He cited as an example the fact that families in the \$2,000 to \$3,000 income group now average expenditures of only \$63.75 for life insurance compared with \$97.45 spent annually by families in a similar income group in 1941.

### Needs Real Selling

"Real selling effort and education," he said, "will be required to change these potentials into actual sales, because a change in habits and in thinking will be necessary on the part of millions of persons who have moved up the scale of real purchasing power without changing their life insurance accordingly."

Among many factors which Mr. Johnson said point to an increased mark for



T. A. Phillips, chairman of Minnesota Mutual; L. D. Cavanaugh, president of Federal Life of Chicago, and Lee Parker, president of American Service Bureau.

## OPPORTUNITY

again knocks at the door of men qualified to build a general agency with a company successfully operating for over fifty years.

## Federal Life Insurance Company

is about to develop the State of Wisconsin in the field of life and accident and health insurance.

Select territory now available.

A complete line of life and accident and health policies including special types of contracts to fit the needs of each individual.

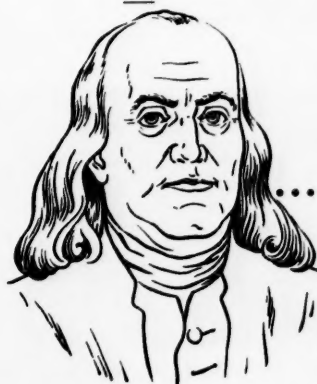
COMMUNICATE NOW WITH

## FEDERAL LIFE INSURANCE COMPANY

Chicago 1, Illinois

ISAAC MILLER HAMILTON  
Chairman

L. D. CAVANAUGH  
President



"find the balance  
...determine accordingly"

BENJAMIN FRANKLIN

Consideration of all factors is fundamental in reaching a sound decision. In Life Insurance these factors include the company's history, objectives, financial position, and policy provisions.

A careful appraisal of Fidelity will indicate that Fidelity is a well-balanced company.



## The FIDELITY MUTUAL LIFE INSURANCE COMPANY

THE PARKWAY AT FAIRMOUNT AVENUE  
PHILADELPHIA • PENNSYLVANIA

## Best Wishes to THE AMERICAN LIFE CONVENTION



HOME OFFICE — Chattanooga 3, Tennessee

H. C. E. JOHNSON  
President

JOS. W. JOHNSON, M.D.  
Chairman of the Board

LIFE • HEALTH • ACCIDENT  
INSURANCE

**A WORLD'S RECORD !**  
Half-a-Billion in 20 Years...

**BROKERS and SALESMEN**  
—Use the Liberal Contracts,  
Underwriting Facilities and  
Sales Tools that mean Issued  
and Paid-for Business



UNITED BENEFIT LIFE INSURANCE COMPANY  
OMAHA, NEBRASKA

goods and services in the five years are savings bonds maturities which will reach a peak of more than \$7 billion a year in 1954 and 1955; an addition of another 10 million population in the next five years; a continued high birth rate; significant changes in the age distribution of our total population since 1940; a much larger family population; a population becoming increasingly urban, and a significant increase in the number of men and women working in non-agricultural industries.

## Upward Trend in Direct Placement Decried by Wilde

The greatest test of direct placement will come in the next period of serious business readjustment, Frazar B. Wilde, president of Connecticut General Life, declared at the Financial Section meeting of the A.L.C.

In 1948 and 1949 direct placement exceeded the amounts that have been offered to the public through the conventional markets. Life insurance companies, he said, do almost all the direct placement financing. At the end of 1949 they owned about \$11 billion of corporate bonds which had been placed by direct negotiation.

"A continued upward trend will further injure the investment banking machinery. This unquestionably would be extremely harmful to the economy," Mr. Wilde said. New enterprises needing money may suffer, "and along with them the public generally," if investment banking is weakened.

Mr. Wilde said the direct placement method had given some encouragement to a "dangerous tendency" to overborrowing by corporations. "To the extent that insurance companies, through inexperience in direct placement financing and excessive competition among themselves, have not been conservative lenders either in the amounts lent or the terms of the indenture, they have made a contribution to future trouble."

Direct placement is likely to be less

expensive, less time-consuming and less cumbersome than the conventional sale of bonds in the market. SEC registration, with accompanying routines and fees, is not required. The terms of the debt arrangement can be tailored to fit the needs of both borrower and lender. From the lender's point of view the return from the investment may be a little higher when loans are placed directly than it is when bonds are bought in the open market. Moreover the transaction is a relatively simple one from the borrower's point of view and the close relationship between lender and borrower continues through the life of the loan. The advantages of the direct placement method, however, are not unmixed, he said. Perhaps the most serious objection to direct placement as an investment medium is the claim that it operates to channel a huge volume of choice securities away from such investors as colleges, hospitals, bank trust departments, pension funds and the smaller life companies into the portfolio of a few very large companies, he added. In 1949 the largest life insurance companies purchased almost \$2.4 billion in directly placed corporate loans, out of the year total of between \$2.5 and \$3 billion.

### A Particularly Bitter Pill

Growth of the direct placement method is a particularly bitter pill to the country's investment bankers, Mr. Wilde said. The direct placement medium reduces the volume underwritten through investment banking channels. Since to a large extent the securities placed directly are of the highest grade, the investment banker finds that the tendency is for him to be left with those where the risk is higher and the sale is more difficult.

### N. E. Mutual Shifts East Tenn. Agency; Kemp G. A.

New England Mutual Life has transferred its eastern Tennessee general agency from Knoxville to Chattanooga. Alson R. Kemp has been appointed general agent there.

Walter S. Fleenor, manager at Knoxville for four years and with New England Mutual for 18 years, will return to personal life insurance counseling. The company will maintain a district office at Knoxville.

Mr. Kemp entered life insurance in 1944, and in his first few months before joining the navy set an outstanding sales record. Since his release from the service in 1946 he has earned recognition as one of the life insurance leaders in the south.



At the A.L.C. registration desk: Elizabeth Béd, Lillian Wille, Marcelle Pfaender, and Lyle Workman, all of the A.L.C. headquarters staff.



## Policy Delivery and Risk Inception

(CONTINUED FROM PAGE 23)

ally delivered when the insurance company or its agent intentionally parts with control of it and places it in the control or dominion of the insured or some person acting for him, with the purpose of making a binding contract of insurance. Delivery to an agent or broker for unconditional transmission to the insured has been held to constitute delivery, where no further action on the part of the insured—such as payment of premium—is required. Constructive delivery has also been held to have been effected by mailing a policy to the insured or his agent, properly addressed and with postage prepaid and so have other dispositions of the policy by the insurer which show an intent to put the policy out of the control of the company and into the control of the applicant, or to be bound by a fully executed policy. Although insurance companies have lost many cases involving constructive delivery and related matters, Mr. Carlton said that modern language setting forth the conditions as to delivery are proving effective. Out of 12 recent cases examined at random, 10 were won by the insurer. Several of these involved attempts by the agent to deliver the policy, the prospective insured dying before the agent could reach him and the agent returning the policy to the company on learning of this. Some were cases in which the insured refused to accept the policy because of being rated up or some other factor which he did not like, and then died while waiting for an amendment to be made or while the agent was trying to get the company to review the case.

Conditional delivery—usually with an inspection receipt—has generally insurance company, even in some cases where the agent neglected to get the prospect's signature on an inspection receipt. In most such cases, payment of the first premium was also a condition precedent to commencement of liability and the insured was usually able to prove that the premium had not been paid.

Mr. Carlton pointed out that the increasing use of binding receipts has eliminated many questions of actual delivery of the policy. To minimize trouble on this point, he made the following suggestions:

1. See that both application and policy contain clear and express language as to delivery and the time when coverage becomes effective.
2. Review home office routine and records to be certain that proof of delivery instructions and also the status of applications at all times will be available when needed.
3. Include in applications and in any correspondence with applicants notice of limitations on the authority of agent to waive delivery and other requirements.
4. Whenever a policy is released to an applicant without intending that it be effective, insist upon a special inspection receipt showing that delivery has been conditional.
5. In agency training courses, point out the importance of keeping in mind the legal significance of possession of the policy in the preliminary stages of closing a sale.

which is contradicted by the fact that new life investments since the end of 1945 have been more than two and one-half times more than the amount by which total assets of life insurance companies have increased.

"This stagnancy charge is contradicted by another charge which in turn is disputed by still a third charge," Mr. Whipple said. "We were not active enough investmentwise but still—charge No. 2—we were too active because we sold too many government securities to make productive loans to industry clamoring for new plant and equipment, and so contributed to inflation. But, at the same time that the inflation charges were bursting round our ears and our new investment commitments were obviously exceeding the inflow of new life insurance savings, we were belabored by another arm of government—charge No. 3—because we weren't putting enough funds into mortgages and housing and because, allegedly, our interest charges on mortgages were too high."

"There are those who believe we invest too little in small business and equities," Whipple said, "and some of the more extreme advocates of this view lay chief responsibility for a supposed 'equity capital shortage' on our doorsteps. Such a charge is not new. Small business has always had difficulty

in financing itself through normal capital channels and I submit, it perhaps always will, until such organizations as the American Development & Research Corp. multiply and prosper. One of the chief problems of institutional investment in small business and equities is how to avoid acquiring undue control over the unit in which the investment is made. Yet many of those who charge us with too little investment in these areas are the same critics who believe we are already too big and already exercise too much control over too many businesses."



Irving Brunstrom, A.L.C. attorney and J. C. Pyle, Jr., attorney of Metropolitan Life.

## Financial Officers and Inflation

(CONTINUED FROM PAGE 23)

ained a large mixture of confusion, ob- against their activities have been the fuscation and just pure bunk, Mr. Whip- charge that life insurance companies are ple said. Among the charges leveled "stagnant pools of capital," he declared,

## Greetings to AMERICAN LIFE CONVENTION

On this occasion we wish to express our appreciation and pay tribute to our Vice-President and Field Manager, Fred H. Landeck, for one third century of faithful service.

## THE OTIS HANN COMPANY, INC.

J. Roberts Hann, President

333 N. Michigan Avenue  
Chicago

"Serving Life Insurance Companies for nearly 50 years."

## At the Colorado Springs Convention of the

## PAN-AMERICAN LIFE INSURANCE COMPANY

September 18, 19, 20, 1950

A broad NONCONTRIBUTORY plan of group hospital, medical and surgical expense benefits was announced for the benefit of members of the

### DYNAMO CLUB —

the Company's official organization of leading personal producers —

Another progressive movement in the interests of PAN-AMERICAN Fieldmen.

The next International Convention will be held in New Orleans in January, 1952 to dedicate the new Home Office building and celebrate complete mutualization.

EDWARD G. SIMMONS  
Executive Vice-President

## PAN-AMERICAN LIFE INSURANCE COMPANY

New Orleans, U. S. A.



## WESTERN LIFE INSURANCE COMPANY

Helena, Montana

1910 - 1950

**FORTY YEARS OF SERVICE TO THE PEOPLE OF THE WEST**

### GROWING STRONGER THROUGH THE YEARS

Year	Assets	Surplus to Policyholders	Insurance In Force
1934	\$12,404,997	\$2,039,225	\$40,755,248
1939	14,903,973	2,350,000	47,250,568
1944	21,387,766	2,650,000	81,415,302
1948	34,698,127	3,137,836	158,311,189
1949	38,851,576	3,500,290	176,029,850

R. B. RICHARDSON  
President

## Yes We Do—Write THE Family Group Life Policy

The most complete policy of its kind WRITTEN IN AMERICA TODAY — Whole Life (not Term), cash, loan, and paid up values. Birth to 60; Full death benefit at age 1; Double Indemnity at Age Birth; Waiver Premium on Payor.

This policy opens the door leading to extra sales on this and our entire line of Life, Accident, Health and Hospitalization Policies.

*We invite inquiry from those who are interested in a connection as salaried supervisor, general agent, career underwriter or broker in Missouri, Kansas, Oklahoma, Nebraska, Iowa, Minnesota, North Dakota or South Dakota.*

For information without obligation, write  
B. TAYLOR, Vice-President



**NATIONAL FIDELITY  
Life Insurance Company**

W. RALPH JONES President

KANSAS CITY 6, MISSOURI

LIFE — HOSPITALIZATION — ACCIDENT — HEALTH — WHOLESALE GROUP — ANNUITIES

Faithful Service for a Third of a Century

## Reform Recruiting Tactics Hay Urges

(CONTINUED FROM PAGE 23)

subject," Mr. Hay declared, "and I dwell on it at this time in the hope that what I say may fall on the ears of some company chief executive who has not had the opportunity to give the thought and time to the agency phase of his company's operation that he would really like to give, and therefore unwittingly puts such pressure on his agency vice-president for volume that his agency officer takes the line of least resistance, hoping that sheer numbers will get the volume which is expected of him. While both he (the agency officer) and his managers may actually be in favor of a 'quality operation,' top management almost compels them to resort to mass recruiting tactics.

### Scores Unrealistic Goals

"Apparently some company presidents are so unfamiliar with field conditions that they set production goals which are totally unrealistic when measured by any sound yardstick."

Mr. Hay praised the efforts of many companies, of the L.I.A.M.A., its schools, the American College, and the round tables of the National Assn. of Life Underwriters in providing agency management training. He referred to the great progress in the field of agent training being made through the National association, the Life Underwriter Training Council, the American College, and the institutes of insurance marketing. He stated that there is much promise in the coordinating activities of the advisory council on life underwriter education and training, now being formed and in which the American Life Convention, no doubt, will participate. But, he declared, "No sound workable standard procedures of selecting, training and supervising agents have ever been found that can be applied on an industry-wide basis. Perhaps they never can or will be found. Whether they can or can't, the responsibility rests squarely on the shoulders of the individual companies.

"The companies can neither avoid nor evade their responsibility by seeking to place this burden on the shoulders of the organizations which we so enthusiastically support. Institutional service is never a complete substitute for company facilities and enterprise."

## Woods Chosen as A.L.C. President

(CONTINUED FROM PAGE 23)

elected president of the National Assn. of Life Underwriters.

Commissioner Allyn of Connecticut devoted most of his talk at the first general session to the war clause situation. Though he refrained from advocating any of the various possible courses in this connection, he appeared to favor the results type clause, saying that in his opinion the voiding of claims on natural deaths of men in service outside the home area would cost far more in harmful publicity than the amounts of insurance involved.

Touching on the work of the war clause subcommittee of the N.A.L.C. life committee, he said that its deliberations may well result in considerable uniformity in the terminology of war clauses. Unless the situation changes materially, the pattern will be the results clause, he said. Discussing permanent war clauses to be applied to all applicants, military and civilian alike, Mr. Allyn mentioned some of the reasons for having such clauses in case of a third world war.

"If and when World War III does come, it will be vitally important that the industry and state supervision alike be well prepared to cope with all wartime insurance demands," he said. "This

is one of the aspects of the hypothetical World War III for which we have time and opportunity to prepare now.

Other speakers the opening day were S. J. Hay, president of A.L.C. and Great National Life of Texas, and Robert L. Hogg, executive vice-president of A.L.C.

That afternoon at the executive session, Alfred N. Guertin, A.L.C. actuary, gave his report as did the various committee chairmen. The slate headed by Cecil Woods, president of Volunteer State Life, was elected.

### Combination Companies' Dinner

Later that afternoon there was a cocktail party given by the Edgewater Beach hotel management. That evening the Combination Companies' Section held its annual dinner with its chairman, Guilford Dudley, Jr., vice-president of Life & Casualty, as toastmaster. The speaker was Mayor Arrington of Collins, Miss., editor and publisher of the Collins News-Commercial.

At the second and final general session Thursday morning the speakers were President Raymond R. Brown of Standard of Oregon; H. Bruce Palmer, vice-president of Mutual Benefit Life; W. Frank Prendergast, assistant to the president of Imperial Oil Co. of Toronto; Admiral William F. Halsey, Jr., and Dr. Francis P. Gaines, president of Washington & Lee University.

Thursday evening there was the traditional dinner dance, preceded by a cocktail party given by the Harris Trust Co. of Chicago.

### Financial Section on Final Day

In line with last year's program innovation, the Financial Section occupied the final day, with R. B. Patrick, vice-president of Bankers Life of Iowa, occupying the chair. The program included talks by F. B. Wilde, president of Connecticut General; O. M. Whipple, financial vice-president Mutual Life; W. R. Bimson, president Valley National Bank, Phoenix; W. Randolph Burgess, executive committee chairman of National City Bank of New York; T. S. Burnett, vice-president Pacific Mutual Life; and James Coyne, deputy governor of the Bank of Canada.

W. Frank Prendergast, assistant to the president of Imperial Oil, Ltd., traced the significance of Canada's development. He pointed out that producers in the U. S. and Canada could do a better job if the border were free of economic barriers as it is of military fortifications.

Preceding the general sessions the Legal Section and the Agency Section held their meetings Tuesday. Tuesday evening the state vice-presidents held their annual dinner.

## Confer on Agents' SS Problems

Problems connected with the coverage of agents under social security were discussed by a large group of lawyers and other interested company men at an impromptu conference at the Edgewater Beach hotel, Chicago, during the American Life Convention meeting.

Eugene M. Thoré, general counsel of Life Insurance Assn. of America, said the new law and the congressional committee reports are not too revealing as to the proper procedure. A joint L.I.A.-A.L.C. committee has been appointed to work out solutions and to operate with the social security administration in promulgating regulations.

Questions include the status of renewal commissions paid before the law effective date next Jan. 1, after the date, and after retirement; and commissions which the agent retains, permitting premiums on a net basis.

The consensus of the group appeared to be that the social security law does not of itself make an agent an employee for purposes of federal income tax withholding or pension payments.



## CM AGENTS CAN TAKE DEEP SATISFACTION...

The Connecticut Mutual receives many letters from people thanking the Company or one of its agents for services well-performed. Here are a few excerpts from some recent letters:

*"To say that I shall always be grateful for your advice doesn't express it. Words cannot do that."*

*"I shall always tell everyone who wants to have security to go to the Connecticut Mutual, the square deal company."*

*"We've paid on so many kinds of insurance-- it was hard at times-- but now we're reaping the results."*

*"When such a loss occurs it is lessened by the aid and consideration of a good reliable company such as yours."*

*"I did not know the additional settlement might be due, until you suggested the search for proof."*

*"Everyone connected with your organization did everything to make it as simple and easy as possible."*

*"The money... will more than cover the remaining debt on my home."*

*"I shall always deem it a pleasure to recommend your company to anyone interested in taking out insurance."*

*"...even more precious to me is your kindness and courtesy in settling this claim."*

*"Your company procedure was least burdensome to me."*

SERVICES performed in a fast, accurate and courteous manner can generate a tremendous amount of good will and prestige for agents and the Company.

Connecticut Mutual agents can take deep satisfaction from the many unsolicited letters that come day by day, month by month and year by year from appreciative policyowners and beneficiaries.



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Added  
**POWER**  
for  
**Guardian Producers**

**Improved Waiver of Premium and  
\$10 Disability Income Provisions**

- Our regular \$10 per \$1,000 monthly income to age 65—*then Policy Matures As An Endowment For The Face Amount.*
- A modern definition of "total" disability.
- New low waiver rates for men or women.

**Term Policies**

- New term to 70 as well as regular term policies at very low premiums.
- Waiver and disability income available on these term policies.
- Increased first year commissions.
- Liberal conversion privileges.

**New Family Income Agreement**

- \$20 per month per \$1,000 on all permanent plans as well as \$10 per month — both still independent of the basic policy proceeds.

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